



USAID
FROM THE AMERICAN PEOPLE

PUBLIC POLICY PROGRAM QUARTERLY REPORT – Q8

JULY – SEPTEMBER 2012

SEPTEMBER 30, 2012

This publication was produced for review by the United States Agency for International Development. It was prepared by AECOM.



USAID PUBLIC POLICY PROGRAM

QUARTERLY REPORT 8

July – September 2012

CONTRACT NO: AID-514-C-11-00001

PREPARED BY:

AECOM

USAID Public Policy Program Office
Carrera 10 No. 72-33, Oficina 1001, Torre B
Bogotá, Colombia

AECOM International Development

Home Office
2101 Wilson Boulevard, Suite 700
Arlington, VA 22201

DISCLAIMER:

The authors' views expressed in this document do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	3
NEW PROGRAM ACTIVITIES RELATED TO US \$4.9M INCREMENT.....	5
PILLAR 1: LAND POLICY	7
PILLAR 2: VICTIMS' POLICY	16
PILLAR 3: CONSOLIDATION POLICY	22
SUPPORTING ACTIVITIES CONTRIBUTING TO RESULTS.....	27
<i>SUPPORT ACTIVITY 1. GENDER.....</i>	<i>27</i>
<i>SUPPORT ACTIVITY 2. ACCESS TO FINANCE.....</i>	<i>29</i>
<i>SUPPORT ACTIVITY 3. LINKAGES BETWEEN GOVERNMENT LEVELS AND USAID IMPLEMENTERS</i>	<i>32</i>
<i>SUPPORT ACTIVITY 4. ENVIRONMENT</i>	<i>35</i>
<i>SUPPORT ACTIVITY 5. AFFIRMATIVE ACTIONS FOR AFRO-COLOMBIANS.....</i>	<i>38</i>
<i>SUPPORT ACTIVITY 6. Knowledge Management.....</i>	<i>38</i>
PROGRAM MANAGEMENT AND ADMINISTRATION	41
ANNEX I. RESULTS TABLE: ACHIEVEMENTS TO DATE.....	45

ACRONYMS & ABBREVIATIONS

ACIP	Afro-Colombian and Indigenous Program
AFS	Agricultural Financing System
ANIF	National Association of Financial Institutions
BDO	Banca de las Oportunidades
CAF	Latin American Development Bank
CELI	Consolidated and Enhanced Livelihoods Initiative
CONPES	National Council on Social and Economic Policy (White Paper)
DANE	National Department of Statistics
DNP	National Planning Department
DPS	Administrative Department of Social Prosperity
FNG	National Guarantees Fund
FOMIN	Inter-American Development Bank's Multilateral Investment Fund
GOC	Government of Colombia
GRS	General Royalties System
IDPs	Internally Displaced Persons
INCODER	Colombian Rural Development Institute
IOM	International Organization on Migration
LCDS	Low Carbon Development Strategy
LEDS	Low Emission Development Strategy
LRU	Land Restitution Unit
MARD	Ministry of Agriculture and Rural Development
MOF	Ministry of Finance
PDRET	Rural Development Plans with a Territorial Focus
PNNU	National Natural Parks Unit
Program	USAID Public Policy Program
REDD	Reduced Emissions from Deforestation and Degradation
SCG	Savings and Credit Groups
SENA	National Learning Service
SINAP	National System of Protected Areas
SINIDEL	Labor Demand Information System
SMEs	Small and Medium sized Enterprises
SNARIV	National System for Victims' Assistance and Comprehensive Reparations
TNC	Third National Communication on climate change
UAF	Family Farming Unit
UNIDOS	Network for Extreme Poverty
USSD	Unstructured Supplementary Service Data
Consolidation Unit	Special Administrative Unit for Territorial Consolidation and Reconstruction
Land Restitution Unit	Special Administrative Unit for Land Restitution Management
Victims' Law	Victims' and Land Restitution Law/Law 1448 of 2011
Victims' Unit	Special Administrative Unit for Integral Victims' Assistance and Reparations

EXECUTIVE SUMMARY

The USAID Public Policy Program technical assistance during this quarter played a crucial role in the second year of President Santos' Administration which led to the execution of far-reaching amendments that included the design of the Social Inclusion Sector (and its operation) and the Land and Rural Development Bill, as well as important changes in the institutional design of national level public entities. This led to important results in the country's public policy framework. Program achievements during this quarter are significant as they contributed to the design of new norms and policies related to land, victims, and consolidation policy. The Program also contributed to the design, operation, and strengthening of public entities charged with implementing these policy reforms.

The Program's major achievements to date include: the design and implementation of the Victims' Law; creation of the Social Inclusion Sector (Department of Social Prosperity, Victims' Unit, Consolidation Unit, Colombian Institute for Well-Being (ICBF), and Historical Memory Center); and innovations regarding the structure of the agriculture sector to ensure holistic victims' reparations (including land restitution). Similarly, the Program supported the creation of the Land restitution Unit (LRU) and the Rural Land Use Planning Unit (UPRA), provided technical assistance to the Ministry of Agriculture and Rural Development's (MARD's) Land Formalization Program, and has been key in the reform of the Colombian Institute for Rural Development (INCODER). Technical assistance provided through the Program's Consolidation Policy Pillar allowed the GOC to: formulate the National Consolidation Policy, create and implement the Consolidation Unit, and achieve results at the territorial level (in particular via the *Contrato-Plan*). During Q8, the Program's continued support consolidated efforts that led to the first *Contrato-Plan* which was formalized and signed for the Gran Darien region on September 13, 2012. The Program continued supporting the development of a Pilot *Contrato-Plan* in Montes de Maria and Southern Tolima, and initiated another pilot in Northern Cauca. This tool complements the design and implementation of Rural Development Programs with a Territorial Focus (PDRET), providing new mechanisms for income generation and livelihoods.

The Public Policy Program focused on strengthening public management among the entities with crucial roles in achieving expected results for victims' reparations, including land restitution. The most significant achievements over the course of the quarter include the following:

With the support of the Land Policy Pillar, the President ratified the Enriquez Maya Law (Law 1561 of 2012) that establishes a special procedure to grant property titles to informal holders of small rural properties (that do not exceed two Family Farming Units (UAFs)). The Program supported the bill by helping to draft the text, responding to congressional questions regarding the bill, and developing promotional materials for Congress. The Program also finalized the INCODER's organizational reform to strengthen its governance and budget execution capacity. In addition, the Program worked with INCODER to develop its first rural development project to directly provide technical assistance and accompaniment to farmers. Program activities aimed to ensure efficient land restitution for 360,000 families dispossessed of their land due to the internal armed conflict by improving coordination between sectorial entities and harmonizing land restitution procedures; the Program ensured that the Land Restitution Unit (LRU) has the resources needed to implement its roles and responsibilities). The Program played a key role in guaranteeing that major GOC institutions have the infrastructure and strategies necessary to lead the country's land and rural development strategy and generate sustainable livelihoods for 7 million rural poor people. This was accomplished by carrying-out key analyses needed to reform the MARD and the INCODER and by developing an income generation model to complement MARD's regionally focused rural development strategy. Policies and procedures developed will ensure

property formalization for 1.5 million rural plots, access to credit and government services, increase market value of the land, and reduce vulnerability to illegal land seizure.

With the support of the Victims' Policy Pillar, the Program delivered the technical study for the creation of Regional Victims' Assistance Centers to the Victims' Unit. This included the methodology for service provision and psychosocial attention, spatial designs for the center services (like registry, humanitarian assistance, restitution, access to security measures), and a methodology to ensure centers are victim-friendly. This model will allow the Victims' Unit to decentralize victims' assistance to 27 regional centers across the country. The Program supported the development of a comprehensive reparations process for 4 million victims by developing the aforementioned technical study, identifying key gaps in GOC delivery of the National System for Victims' Assistance and Comprehensive Reparations, and developing a mechanism to harmonize state services and ensure they meet victims' needs. The Program also play a major role to ensure that the Social Inclusion Sector has the human resources and tools to identify and manage the bottlenecks and rigidities that prevent delivery of services to victims; the Program developed a communications strategy to teach the public, Unit personnel, and victims about the Victims' Unit's roles and responsibilities and how to access benefits. In addition, the Program developed a cessation index to determine when a victims' condition of vulnerability ceases and the sector can terminate provision of services. Finally, the Pillar also delivered a mechanism to access financial education and services for victims of armed conflict that receive economic reparations.

With the support of the Consolidation Policy Pillar, the Program worked to improve State presence in consolidation zones by creating investment capacity via the development of the Consolidation Unit's Rapid Response Program (RRP). The RRP has a budget of approximately US \$15M and aims to carry-out priority investments in small infrastructure and short-term social programs in consolidation zones to generate trust between the population and the State, making the State's presence evident. To ensure that service provision in consolidation zones meets regional needs, the Program worked with the Consolidation Unit to coordinate with GOC entities to target US \$970M for specific consolidation zones and to map this commitment against regional needs. As a result, the Unit now has an instrument that compares available supply with demand for state services thereby facilitating the targeting of resources for populations that traditionally have not received state investment. The Program also finalized the methodology to produce regional consolidation action plans. The Program worked to ensure government coordination (nation-region and sectorial coordination) to enhance impact in consolidation zones by: supporting workshops to strengthen institutions' understanding of each other's roles and responsibilities and facilitating coordination between regional consolidation plans and *Contrato-Plan* in zones where they coincide (Southern Tolima, Northern Cauca, and Montes de Maria).

Among the most significant achievements of this quarter, the Program provided technical assistance in the development of a new public investment model that harmonizes public investment over the medium- and long-term between multiple levels and sectors of government. This will improve: alignment between multiple levels and sectors of government; investment impact; ability to construct/improve infrastructure necessary for rural development; ability to serve vulnerable populations including victims; and ability to provide historically absent public goods. In consolidation zones, the mechanism serves to guarantee the sustainable of security conditions, holistic development and break the cycle of poverty that contributes to conflict and narco trafficking. The first *Contrato-Plan* was signed on September 13 in Gran Darien by President Santos, 3 governors, and 25 mayors. It is one of the Program's most important results given that the tool works to achieve goals under each of the Program's 3 policy pillars.

The pending challenges that the COC needs to overcome are numerous. On August 27, 2012, President Santos announced that the GOC was engaged in a negotiation process to achieve peace with the FARC.

The Legal Framework for Peace, the country's most recent constitutional reform, sets the groundwork to end to the armed conflict. Successful negotiations are expected to imply profound changes to the Colombian legal framework within which the Public Policy Program plays a major role. This would entail, at the very least, continued Program support for related elements in the negotiation agenda that includes: a) profound change on legal, political, rural development and access to land issues via agrarian reform; b) new regulatory laws for the legal framework for peace that consider transitional justice mechanisms; c) the elimination of illicit crops (source of guerilla financing) with implementation of alternative development programs related to income generation (to avoid a return to arms and the narco trafficking chain); d) the extension of coverage of the Victims' Law (which will result in increased fiscal challenges for the GOC); and e) the legitimization of the peace accords via citizen approval mechanisms like a referendum.

During this quarter the Program received a budget increase of US \$4.9M to its existing contract to respond to new requirements laid out by the Government of Colombia (GOC) and USAID. This addition will be used to continue strengthening institutional capacity so that the Agriculture and Social Inclusion Sectors can better respond to the enormous challenges they now face in implementation. The new funds will focus on institutional strengthening activities, policy instrument design at the national and regional level, and implementation of public policy instruments (see *New Program Activities* section).

NEW PROGRAM ACTIVITIES RELATED TO US \$4.9M INCREMENT

The Program received a modification in September to implement additional activities and increase its budget by US \$4.9M. New Program activities are based on USAID and GOC strategic priorities. While, the original results established with in the Program's Performance Work Statement (PWS) do not change, new activities aim to improve impact of the reforms the Program has supported to date. This includes generating GOC capacity to successfully implement land, victims, and consolidation policies in the new peace context and to ensure they meet their short and medium term goals. New and modified milestones are presented below:

Result	Milestone
1.2 Land and Rural Development Law drafted and Implemented	1.2.5 Reform of INCODER Implemented
	1.2.6 Reform of MARD Implemented
1.3 Rural property formalization program designed, including regulatory framework and institutional infrastructure	1.3.4 Formalization of Land Tenure Rights Policy Document developed
2.2 National plan for Victims' humanitarian assistance and reparations	2.2.3 SNARIV Strengthened to Monitor Agency Action Plans
	2.2.4 Support implementation of Cessation of Vulnerability Index
3.1 National Consolidation Policy (NCP) framework revised and under implementation	3.1.2 Support for development and implementation of Regional Consolidation Action Plans <i>(this milestone already existed but its scope grew)</i>
	3.1.3 Improved service delivery in Consolidation Zones
3.2 Institutional structure designed to implement the NCP at the national and regional level	3.2.1 Design and Implementation of Consolidation Unit <i>(this milestone already existed but its scope grew)</i>

The following activities will help the Program to accomplish the above mentioned milestones:

Institutional Strengthening:

- Institutional strengthening of the Colombian Rural Development Institute (INCODER) to create capacity for land titling and lead rural development in Colombia;
- Institutional strengthening of Ministry of Agriculture and Rural Development (MARD) to lead agrarian policy and leverage international cooperation funds;
- Strengthen Land Restitution Unit's (LRU) territorial operations capacity;
- Strengthen Victims' Unit's capacity to coordinate the National System for Victims' Assistance and Comprehensive Reparations (SNARIV);
- Strengthen Consolidation Unit's capacity to mobilize GOC resources for conflict zones.

Policy Instrument Design at National and Regional Level:

Design policy instruments to promote development:

- Promote territorial development via Contrato-Plan in 3 regions (Cauca, Sierra Nevada, Chocó);
- Design Rural Development Plans with a Territorial Focus (PDRET) in 2 regions (Cauca, Chocó);
- Promote income generation policy and livelihoods for victims, rural poor in coordination with PDRET and access to finance mechanisms;
- Prior consultation (consulta previa) with ethnic minorities regarding rural development and land access.

Ensure institutional offer meets specific needs (flexibilización):

- Create public investment mechanisms that work to create regional infrastructure, and provide public goods and services that promote rural and regional development;
- Improve regional response capacity to implement the SNARIV and improve victims' access.

Implementation of Public Policy Instruments:

- Harmonize rural and regional development instruments to improve impact of Program-designed policies at the territorial level;
- Coordinate consolidation plans with these instruments in consolidation zones.

The modification of the aforementioned milestones and the new proposed activities affect the percentage of Program compliance with its goals (see *table below*).

Result	Implementation prior to modification	Implementation based on new milestones/ activities	Variation
PILLAR ONE: LAND POLICY			
1.1 Land restitution chapter of the Victim's Law implemented	76%	69%	-7%
1.2 Land and Rural Development Law drafted and Implemented	75%	47%	-28%
1.3 Rural property formalization program	100%	70%	-30%

designed, including regulatory framework and institutional infrastructure			
PILLAR TWO: VICTIM'S POLICY			
2.1 Victims' Law institutions designed	92%	79%	-14%
2.2 National plan for Victims' humanitarian assistance and reparations	100%	81%	-19%
2.3 Victims and civil society stakeholders participate in the implementation of the Victims' Law	100%	100%	0
PILLAR THREE: CONSOLIDATION POLICY			
3.1 National Consolidation Policy (NCP) framework revised and under implementation	76%	59%	-22%
3.2 Institutional structure designed to implement the NCP at the national and regional level	90%	72%	-20%

By including new activities in the contract, the Program experiences an average 17% reduction in implementation given that the new activities proposed aim to deepen the impact of Program-supported policy design and institutional reform. New results are not proposed.

Going forward, the Program's biggest challenge is to use its knowledge and experience to resolve key problems and bottlenecks that affect Program-supported entities and stand in the way of successful implementation at the territorial level. To address this, the Program will focus on strengthening governance, contracting processes, regional implementation and management in key Agriculture Sector entities (MARD, INCODER, LRU). The Program will propose institutional reforms needed to generate the capacity needed to implement Rural Development Programs with a Territorial Focus.

The recently created Social Inclusion Sector (Department of Social Prosperity, Victims' Unit, Consolidation Unit) requires strengthening to: improve its operational capacity and provide an effective response to vulnerable populations (rural poor and victims); increase service provision; guarantee state presence and public investment in the zones most affected by conflict; and repair victims. The peace process may imply a priority focus on service delivery and productive projects within the consolidation policy.

As such, the Public Policy Program faces new challenges to modernize public management and implement new transparent, efficient and successful planning, budgeting, and contracting models.

PILLAR I: LAND POLICY

Approximately 31.6% of the Colombian population (nearly 14 million people) is rural, 50.3% of which live in poverty (2010).¹ The Land Policy Pillar works to address the root causes of conflict and poverty in Colombia. Specifically, the Pillar works to: support implementation of the land restitution chapter of the Victims' and Land Restitution Law/Law 1448 of 2011 (Victims' Law); design the rural property

¹ Although it varies from city to city and between urban to rural areas, the poverty line is defined by income < \$2.39 USD/person/day.

formalization program, draft the Land and Rural Development Bill, develop the INCODER's institutional reform and its management capacity; and strengthen the operation of the Land Restitution Unit (LRU).

Formalization, restitution, and other land policy programs are not enough to improve economic conditions. Therefore, the Program also supports long-term sustainable livelihood strategies, especially those that increase agricultural productivity which are necessary to reconcile victims returned to their land plots with communities that resisted displacement, and demobilized combatants, and to fuel the national economy, achieve lasting security, and sustain land policy implementation.

In Q8 the Pillar worked to provide the GOC with concrete tools to advance the following goals:

- Ensure efficient land restitution for 360,000 families dispossessed of their land due to the internal armed conflict.
- Ensure major GOC institutions have the infrastructure and strategies necessary to lead the country's land and rural development strategy and generate sustainable livelihoods for 7 million rural poor people.
- Ensure property formalization for 1.5 million rural plots to ensure land owners' access to credit and government services, increase market value of the land, and reduce vulnerability to illegal seizure.

An important Q8 accomplishment included the enactment of the Public Policy Program-supported law on formalization of rural property. Over a two year period the Program worked in collaboration with Senator Eduardo Enriquez Maya (Conservative Party) to draft the law, respond to congressional questions regarding the bill, and develop of promotional materials for congress (ex., presentations). This law will reduce formalization costs for land tenants and the judicial system, and facilitate the formalization of property of millions of persons.

Results, Milestones and Activities

Result 1.1 Land Restitution Chapter of the Victims' Law implemented

The Land Restitution Chapter of the Victims' Law established measures to restitute land to owners or occupiers (nearly 360,000 families) that were forced to abandon, sell, or cede their land as a result of the armed conflict. During Year 2, the main challenge for the implementation of this chapter is the creation and strengthening of the Land Restitution Unit (LRU).

Milestone 1.1.1. Land Restitution Unit

Activities:

1.1.1.c. Recruitment Process (in order to respond to staffing needs): In Q8, the Program's team of 4 professionals, headed by a senior psychologist with expertise in public sector contracting and human resources, finalized its activities related to the design of contracting processes (including manuals and guidelines), and selection and hiring of personnel processes (*implementation of the recruitment process*). In Q8 the team worked to support staffing processes in the following LRU regional offices: Mocoa, Apartadó, Cauca and Popayán.

As a result, hiring procedures (including interviews) were carried out for 1,051 individuals for 161 personnel positions across a total of 16 regional offices.

1.1.1.d. Addressing security in land restitution. Security protocol with safeguard LRU officials, documents and regional offices. The Program supports the LRU in developing a security coordination scheme with the Ministry of Defense and the President's High Commissioner for Security to establish a land restitution implementation protocol with controlled risks.

During Q8, the Program supported a risk evaluation study using information gathered from the LRU to establish the security needs of personnel, documents, land claimants at different stages of investigation, the judicial process, return and post return of land restitution. This analysis was developed using a Municipal Security Index which evaluates presence of armed groups and threats to land claimants based on information provided by the Department of Defense and the LRU. The Program also assisted in the development of security protocols that will address the needed actions to be taken by the LRU in order to safeguard officials, documents, regional offices and in turn reducing risks to the land restitution process. The LRU accepted the protocols that were constructed based on the LRU's relationship with the armed forces - a necessary condition for safe restitution processes.

1.1.1.f. Monitor the implementation of the Land Chapter of the Victims' Law. Alternative restitution strategies designed in response to Program monitoring. As outlined in the Year 2 Work Plan, the Program tracks legal suits brought against MARD in relation to rights afforded in the Land Restitution Chapter of the Victims' Law. This work, and the Program-monitoring of the Land Chapter, aims to detect patterns and potential risks for on-going implementation of the Law in order to inform future GOC decision-making. In Q8, suits brought by citizens against the Victim's Law continued to be monitored. The number of claims has significantly decreased; only two were brought forth during this period. Continuous monitoring of the implementation of the Land Chapter of the Victims' Law revealed that the GOC has made important progress but is delayed in meeting goals set for 2012.

To date, the LRU has set up 21 offices across the country to treat victims' land dispossession and forced abandonment. The judiciary branch has set up 23 courts and separately, five specialized land restitution courts. Through September 7, 2012 the LRU had received 20,952 return applications (applications for registration in Registry for seized and abandoned lands) corresponding to a total area of 1.6 million hectares. However, due to initial delays forming the Unit's local teams, application review did not advance as quickly as intended; only 9% of the applications (220) have been admitted into Registry, and 197 have been submitted to restitution judges. This means that judges are far from solving the 2,145 restitution claims that were planned for this year. Given the need to accelerate concrete results in land restitution, the government has made the decision to promote collective restitution and administrative restitution.

The Program periodically presents monitoring information to USAID in order to keep the mission updated regarding LRU implementation. USAID then uses this information for technical discussions with the GOC on future decision-making.

Information regarding slow implementation also led the Program in Q8 to support the Deputy Land Director at the INCODER to design alternative restitution strategies allowing for massive titling of land for certain types of victims. In Colombia, approximately 64,000 land adjudicated plots (formerly government land plots – *baldios*) were forcibly seized from victims. The Program's support will help the INCODER to title this land (when there is no third-party opposition to the restitution process).

Result 1.2 Land and Rural Development Law Drafted

The Land and Rural Development Bill defines the framework for the GOC's rural development policy territorial approach, as well as land access and land use policy. The Law aims to bring sustainability to agrarian procedures, public good delivery and income generation initiatives.

Milestone 1.2.3 Design of Sustainable Livelihoods Policy Framework

Activities:

1.2.3.a. Adjust agriculture policy instruments: Sustainable rural development lessons learned document drafted with DNP. In efforts to adjust agriculture policy instruments and existing programs, the Program, alongside the DNP, has supported the development and implementation of 2 pilot Rural Development Programs with a Territorial Focus (PDRET) (Montes de Maria and Southern Tolima), in coordination with instruments such as the *Contrato-Plan* and has also coordinated the design of a policy document related to these pilots (see *Support Activity 3.1.j.*). The Program has also worked with the National Planning Department's (DNP) Sustainable Rural Development Office to draft a policy document that outlines lessons learned on rural development pilots and articulates PDRET with fundamental topics related to the agricultural and rural sectors of Colombia. The DNP is in the process of coordinating discussions on this document with MARD, INCODER and other relevant stakeholders.

1.2.3.b. Structure Agriculture and Rural Development Sector: MARD's role in agriculture and rural development sector analyzed. During Q8, the Program supported the MARD reform. As a first step in structuring the Agricultural and Rural Development Sector, the Program is implementing a conceptual analysis of rural and regional development, MARD's role as leader of the sector, and the roles of each entity involved in the sector.

1.2.3.c. Comprehensive reform of MARD: Recommendations to modify MARD's organizational chart based on sector's needs. In Q8 the Ministry of Agriculture and Rural Development (MARD) completed its technical study regarding its staffing plan and organic structure. In accordance with the Year 2 Work Plan, the Program provided technical assistance to the MARD to analyze the application of the new land and rural development strategy based on the Ministry's roles and responsibilities as defined in the technical study. As part of this analysis, the Program has provided recommendations for an institutional organizational chart that corresponds to the sector's needs (i.e., land and rural development strategy).

1.2.3.d. INCODER reform study: Five major modifications to INCODER's organizational structure. As part of its support to reform the Colombian Institute for rural Development's (INCODER) organizational structure, in Q8 the Program finalized the technical study needed to reform the INCODER and presented recommendations on required reforms to the Administrative Department of Public Office and the Presidential Office for Good Governance. Based on Program recommendations, the following modifications were approved: 1) Creation of a Deputy Management Office; 2) Creation of 3 technical directions in the Secretary General's Office to strengthen administrative process for those missions that involve high levels of contracting; 3) Creation of the Productive Development Management Office within the Rural Development Deputy Management Direction; 4) Suppression of the Fishing and Agricultural Deputy Management Direction (functions to be taken over by the National Authority of Agriculture and Fishing); and 5) Creation of the Communications Advisor's Office. These changes seek to strengthen INCODER's capacity to respond efficiently to rural development needs and to strengthen its territorial focus by developing stronger linkages between the central office and its territorial offices. This will improve coordination between management offices in charge of land and rural development activities and ensure roll-out of an integrated intervention strategy at the territorial level. In Q9, it is

expected that the final version of the proposed reform by the INCODER will be approved. Its final adjustment and approval will be provided by the MARD and the Administrative Department of Public Office is also expected to take place in Q9.

To complement this work, the Program is supporting institutional strengthening for the INCODER in order to ensure transparency and efficiency in the execution of public resources. Specifically the Program supported efficient management and worked to put an outsourcing model into operation.

1.2.3.f. Design an income generation path for victims and rural poor: National level coordination supported on income generation. As part of the Program's work to bring income generation alternatives to victims and the rural poor, the Program investigated what public institutions are currently implementing in terms of income generation programs in Q6, and in continuation of this goal, in Q8, the Program began to meet with institutions that have a strong commitment to implementing income generation programs in rural areas to understand their implementation plans and budgets for the future. The Program also began working with indicated institutions to define how activities can be better coordinated and implemented on the national and regional levels.

The Program, in coordination with the DNP, is supporting the design of an income generation and livelihoods model to reduce poverty in rural areas. In Q8 the Program advanced in the design of the theoretical model and this will be adjusted based on results of a baseline study of needs. As a first step, the Program is supporting the design and development of the population characterization instrument to analyze the families' productive profiles for the pilot site, Chaparral (Tolima).

During Q8, the Program continued implementation of the pilot in Chaparral. Activities included selecting the firm that will carry out a survey (baseline) on productive profiling and a multi-dimensional poverty index (sample of 500 families) by using a worksheet previously designed by the DNP alongside the Public Policy Program. In Q8 the worksheet was field tested with five families in order to confirm coherence and worksheet clarity.

The Program also provided technical assistance to the DNP and other GOC entities, to achieve agreements to enable coordination of resources and territorial focus for the Chapparral pilot. The Department of Social Prosperity, INCODER, and the Ministry of Labor agreed to commit specific resources from their nationally available programs to the Chapparral pilot. Specifically, the DPS will incorporate a rural module within its Income Generation Information System, INCODER and MARD will assign resources from their productive project budgets to Chapparral, and the Ministry of Labor will assign resources from its labor formation program.

Finally, the Program worked with the Department of Social Prosperity (DPS) to analyze if the DPS' services are meeting the sector's objectives and target populations needs (see Activity 2.1.1.b.). As a part of this study, income generation services were reviewed. *In Year 3 the Program will, as part of the income generation model, support the DPS in structuring its income generation plan, programs, and related budget.*

In addition, the Program further developed the outsourcing model described under Activity 1.2.3.d. was to contribute to the implementation of productive projects. The model is based on outsourcing productive projects by contracting a national operator, expert in design and implementation of productive projects. This contractor then works with regional operations that have an extensive understanding of the population's needs, productive potential and the territory's productive vocation leading to management success.

The Program provided expert assistance to the INCODER on legal concepts regarding possible contracting modalities, operator selection process, development of preliminary studies, contract development, and design of supervision mechanisms. Based on this support, the INCODER signed an association agreement with *Corporación PBA* (a non-profit organization that works on participatory innovation processes with small producers to improve production, income, knowledge, coexistence and environment in rural communities).

Milestone 1.2.4 Design of Regional Rural Development Areas (RDA)² Programs - During Q8, the Program played a critical role in assisting the GOC in developing strategies for Rural Development Programs with a Territorial Approach, particularly in the Montes de María and Southern Tolima Region. Two Public Policy teams, each one lead by a Rural Development Area (RDA) Manager, supported the development of national policies with a regional impact alongside local authorities using in particular, the *Contratos-Plan* pilots in Chocó, Southern Tolima, Montes de María, and Northern Cauca.

PDRET supported in 3 regions:³

Montes de María Pilot:

In Q8, the Program worked to achieve inter-institutional integration in the zone,⁴ ensuring local governors' offices' buy-in to *Contrato-Plan*, and the inclusion of the rural development program strategy with a territorial and *Contrato-Plan* focus in local and regional development plans. Key activities included coordination between the Departmental Governments of Sucre and Bolívar to structure the *Contrato-Plan*, inter-institutional integration with these governments and Regional INCODER offices and Municipal Mayors office with the Territorial Consolidation Program. The Program also supported workshops to disseminate important aspects of the *Contrato-Plan* with the Departmental Government of Bolívar. Lastly, key projects for the General Royalties System were identified in the Department of Sucre.

Given the INCODER's obligations to address titling of government-owned plots (*baldíos*) and rural development in different regions, the Program has supported the institution in carrying-out an analysis of land tenancy and formalization in the 16 municipalities that make up the Montes de María region. This diagnostic does not seek to review the situation regarding each plot, but rather build an understanding situation and information availability in each municipality. The Program is also supporting a regional participant's coordination roundtable to develop agreements related to land and rural development in the Montes de María region. Farmers, natives, Afro-Colombian communities, business people, landowners, civil society organizations and international cooperation are participating.

Southern Tolima Pilot:

The Program, alongside DNP, INCODER, USAID's Regional Programs and the Consolidation Unit, continued supporting the development of the region's *Contrato-Plan*. Key activities included assisting PDRET coordination meetings to harmonize and socialize the *Contrato-Plan* content. The Program's pilot program support team also focused on identifying regional development strategies currently under implementation (victims' attention and reparations, social property ordinance plans and support for INCODER's territorial offices in its design of these plans).

² The GOC originally called its regional rural development strategy "Rural Development Areas," however has now renamed this strategy "Rural Development Programs with a Territorial Approach (PDRET)."

³ This activity forms part of Support Activity 3.1.j. Pilots to support PDRETs and harmonize with territorial plans.

⁴ Integration between Sucre and Bolívar Governors Offices, Sucre and Bolívar INCODER regional management offices, the Montes de María Foundation, mayor's offices, the European Union, and the Territorial Consolidation program.

Cauca Pilot:

In Q8, the Program began supporting INCODER and in general, the GOC, in negotiations with the indigenous people of the Department of Cauca. Negotiations have focused on five main areas: autonomy, territorial control of indigenous people, land and rural development, education, healthcare and communications.

Result 1.3 Rural property formalization program designed, including regulatory framework and institutional infrastructure

Property formalization gives titles to rightful possessors and occupants of rural land and registers them in the official records. Without legal titles, residents do not have access to credit or government services, the market value of their land is lowered, and land is more vulnerable to illegal seizure.

Milestone 1.3.1 Design of the Formalization Program**Activities:**

1.3.1.a CONPES on rural property formalization: Law on formalization of rural properties enacted. In Q8, the Public Policy Program-supported law on formalization of private property was enacted. Over a two year period the Program provided comprehensive support to draft the law, respond to congressional questions regarding the bill, and develop of explanatory materials for Congress.

On August 1, President Santos announced the enactment of Law 1561 of 2012 which establishes a special procedure to grant property titles to informal holders of urban and small rural properties (that do not exceed two Family Farming Units (UAFs)). Santos emphasized that the new law will reduce formalization costs for land tenants and facilitate the formalization of property of millions of persons, given that in Colombian approximately 40% of land is not titled.⁵ In addition, the Law seeks to:

- 1) Facilitate formalization of small rural properties (measuring less than one UAF);
- 2) Reduce cost and duration of judicial processes;
- 3) Ensure titles are jointly issued to both husband and wife when only one member of a couple requests titling;
- 4) Include environmental conservation as a way to prove possession; and
- 5) Establish controls to prevent State-owned property from being illegally privatized.

This new legislation will need to be harmonized with the Land and Rural Development Bill currently under consultation with ethnic communities. This bill which contains a chapter on rural property formalization establishing procedures that differ in certain aspects to the ones stated under Law 1561. One example is the limit on property size to be formalized; Law 1561 sets the limit at 2 UAFs while the bill sets it at one UAF. The Program will study these differences in detail during Q9 to develop a proposal to harmonize the two laws and continue support towards the improvement of the legal framework for agrarian processes and land access mechanisms.

1.3.1.b. Geographic Information System designed: Call for proposals designed for GIS system to be jointly administered by LRU and MARD. This quarter, the Program received

⁵ http://wsp.presidencia.gov.co/Prensa/2012/Agosto/Paginas/20120801_05.aspx

technical approval from the Land Restitution Unit and the MARD's Formalization Program for the work initiated in Q6 and delivered in Q7. Over the course of Q6 and Q7 the Program supporting coordination between the Land Restitution Unit (LRU) and the MARD's Land Formalization Program to construct and integrated information system where the two actors could share and benefit from each other's information. To do this, the Program supported the identification, conceptualization and schematization of the necessary macro processes to form the system. Fourteen types of users were identified and the Program did an analysis of the system's functional requirements. Based on this analysis, and as part of the concept paper delivered, the Program suggested that the system be linked to the Ministry of Information Technology and Communications to ensure compliance with GOC technical requirements and norms. The Program also recommended a "cloud" based system to reduce costs and to carry out a market study.

The Program developed the request for proposals document for the system and recommended that the call for proposals include in one only call, the design of the system and the application. The Program calculated that the required analysis, programming and testing of the system would take a full-time team approximately 18 months to complete. The products were delivered to the Land Restitution Unit and the Formalization Program at the end of Q7 and were technically approved at the beginning of Q8.

Policy Instruments delivered

- Manual and guidelines for LRU personnel selection (Result 1.1)
- Protocol for harmonization of the Victims' Law and the Justice and Peace Law, containing inputs for the new revised Justice and Peace Law (Result 1.2)
- Concept Paper and RFQ on Geographic Information System for land restitution and formalization land (Result 1.3)
- Rural Property Formalization policy document for Enriquez Maya Law (1561 of 2012) (Result 1.3)

Cross Cutting Land Pillar Activities

Land and rural development policy reform requires close coordination between a variety of GOC entities and USAID. Up-to-date reporting mechanisms are necessary to ensure information is shared in an effective and efficient manner.

Land and Rural Development Communications Strategy Activities

Activities:

- a. **Information management:** As per the Year 2 Work Plan, the Land Policy Component drafts and edits periodic reports explaining the state of affairs in Colombia regarding land policy. In Q8, the pillar contributed strategic information on GOC land policy achievements, goals, and challenges through 5 Public Policy BiWeekly Reports.
- b. **Draft briefers, strategic documents, and other reports as requested by USAID:** The pillar also prepared 3 briefers in July (Income Generation, Environment, and Gender) and contributed to other strategic USAID documents over the course of the quarter (Cauca Briefer, Scene Setters, etc).

Pillar Challenges & Response Strategy

Challenge 1: Inter-agency coordination. Rural development and land policies face important challenges in the coming months; the first restitution cases must be adjudicated and they will require coordination both at the institutional level (Victims' Unit, Consolidation Unit, INCODER, and LRU) and at distinct governmental levels (national, departmental and municipal) in support of displaced persons' return. This will also require harmonization between services offered and access to productive projects to ensure sustainability.

In Q9, the Program will continue to support: LRU coordination with the Victims' and Consolidation Units, the design and regional implementation of a security protocol in at least two focalized areas, and the strengthening of its planning, budgeting and contracting processes for 2013. The Program will also assist the LRU in the design of a communications strategy as well as a plan for training personnel and other stakeholders under a sustainable strategy. Additional support will be delivered to: strengthen judicial capacity through training to coordinate protocols between the Justice and Peace/Victims' Laws and provide expertise to generate knowledge transfer between judges and magistrates working on transitional justice for restitution.

Challenge 2: INCODER implementation and reform. INCODER has two fundamental challenges before it. First, it must carry out its functions at the regional level, achieving adequate linkage between national policies and regional implementation in order to implement integral rural development, land access and formalization. Second, it must carry out its institutional reform within the next few months under the guidance of its new manager. The strengthening of planning, budgeting and contracting processes is a critical issue for the institution's execution performance in coming years.

In Q9, the Program will provide special assistance to INCODER to finalize its reform and implement its regional strategy, with great effort on contracting and budgeting capacities.

Challenge 3: Chaparral pilot coordination. The Chaparral income generation pilot project continues to pose challenges because there are many GOC national, regional and local level entities involved in the process. Yet, there is no one entity charged with coordinating the income generation program (the natural leader would be INCODER given its responsibility for rural development processes).

The Program is working with the Tolima government to create a coordinating committee and to include the model and pilot project as part of the *Contrato-Plan* in Southern Tolima. The Program will also work with the DNP to carry-out a baseline analysis for the Chaparral income generation pilot (500 families) and to develop a similar model for monitoring and evaluating performance of rural development programs within *Contrato-Plans*. Special emphasis will be put on clarifying institutional architecture and functions for income generation policy and supporting the Department of Social Prosperity, DNP and INCODER to clarify leadership and program implementation among various institutions currently involved.

Windows of Opportunity

The peace negotiations between the GOC and the *Fuerzas Armadas Revolucionarias de Colombia* (FARC), launched on October 18 in Oslo, represent an opportunity to re-open discussion on agricultural reform and processes. The jointly developed negotiation agenda for land policy reflects a basic consensus on Colombia's fundamental agrarian problems and, in some cases, suggests solutions - property formalization, the closing of the agricultural frontier and protection of forest reserves. In particular, discussions could result in a renewed focus on these issues in the Program-supported Land and Rural Development Bill that is under discussion.

PILLAR 2: VICTIMS' POLICY

The Victims' and Land Restitution Law/Law 1448 of 2011 (Victims' Law) signed on May 25, 2011 establishes a new legal framework to be implemented over the course of ten years for reparations for 4 million victims (90% of whom were displaced into abject poverty). The Victims' Policy Pillar provides technical assistance to the Government of Colombia (GOC) in relation to the implementation of the Victims' Law. It aims to improve the government's institutional capacity to provide emergency relief and integral assistance and reparations to victims, including Internally Displaced Persons (IDPs). The Program ensures that GOC programs invest in the improvement of public service delivery at the local level by providing recommendations on how to develop an effective territorial approach.

The Program has supported the development of the institutional structure, strategy and programs needed to sure the GOC can implement this historic Law. In December 2011, the Victims' Unit was created. The Unit is responsible for coordinating Colombia's integral reparations processes and implementing administrative reparations measures. Also, the Plan for Comprehensive Assistance and Reparations was issued on May 30, 2012 as a policy white paper (CONPES).

In Q8 the Program worked to:

- Ensure a comprehensive reparations process for 4 million victims in which each victim follows a single route (described concretely in their customized comprehensive reparations plan) in which he or she receives immediate assistance, then humanitarian aid, and finally reparations.
- Ensure the Social Inclusion Sector has the human resources and tools to identify and manage the bottlenecks and rigidities that prevent delivery of services to victims with a differential approach.

One notable accomplishment for this quarter was that the Program finalized the technical study for the creation of Victims' Assistance Centers. The Program proposed the geographic location for the 27 centers, designed 4 different types of centers, and proposed a two-stage client assistance process. This will ensure the 4 million victims to be served under the Victims' Law will receive efficient, personalized assistance. In addition, the Program worked with four financial entities to provide financial education and financial access to the victims of Mampuján (Bolívar)⁶ who received judicial reparations in the order of US \$10M at the end of August 2012. As a result, victims saved more than US \$1M of reparations received and invested in \$50,000 of life insurance. This pilot will serve to address financial access for the victims that are expected to reparations over the next 10 years.

Results, Milestones and Activities

Result 2.1 Victims' Law institutions designed

Accompanying the Government of Colombia (GOC) in creating and mobilizing the institutions responsible for implementing the Victims' Law is a top priority for the USAID Public Policy Program. In addition to supporting the creation of the Social Inclusion Sector (headed by the Administrative Department of Social Prosperity (DPS)),⁷ the Program has focused on the creation and provision of on-going support to the Victims' Unit.

Milestone 2.1.1. Design of Department of Social Prosperity (DPS)

⁶ The forced displacement and murders occurred in 2000 and were committed by paramilitaries belonging to the Héroes Montes de María Block of the United Self-Defense Forces of Colombia.

⁷ The Program continues to provide technical assistance to this institution.

Activity:

2.1.1.b. Harmonization of DPS activities: DPS programs analyzed in light of strategic goals.

As part of the Program's work to provide recommendations to adjust Department of Social Prosperity (DPS) programs and projects in order to guarantee that services meet the sector's objectives and the target population's needs, in Q8, the Program analyzed the 24 programs currently administered by the DPS. Management, supply and relevance indicators (of care provided in prioritized territories) were analyzed. The programs were then classified in a stoplight system; red signifies that a program should be phased-out, yellow programs require recommendations for improvement, and green programs comply with criteria and should continue to operate.

The study also recommended that certain programs should be kept within the entity that currently manages it, and in other cases they should be transferred to other organizations or institutions with missions to provide such services. For example, the DPS currently manages the *Familias en su Tierra* and *Laboratorios de Paz* programs; the Program considers that it will be more strategic to house these programs in the Victims' and Consolidation Units and to have the DPS focus on designing policies and piloting initiatives (that could later be institutionalized in the corresponding sector), rather than have the DPS engage in direct implementation. Results of the study also point to the need for the DPS to assume leadership in bringing about coordinated action with a territorial vision to ensure integral policies for vulnerable populations among all government sectors. To date, coordinated action is only occurring with consolidation policy.

Milestone 2.1.2 Design of Victims' Unit

Activities:

2.1.2.a. Staff selection process: DPS recruitment process finalized: 60 candidates identified.

In compliance with the Year 2 Work Plan that aims to guarantee transparency and quality in the selection of Victims' Unit personnel, in the last week of August, the University of Pamplona and the Public Policy Program formally delivered a list of candidates eligible to form part of the Victims' Unit personnel plant. The results were as follows:

Recruitment Process: Victims' Unit		
	No.	% Open Positions
Open positions to fill	297	100%
Registered	282	95%
Met initial requirements and invited to take written test	180	61%
Passed written test	60	20%
<i>Passed skills test</i>	56	19%
<i>Passed knowledge test</i>	20	7%

The Unit agreed that all candidates that passed the written test (60 individuals) were eligible, and they were incorporated into the Unit as full-time employees. In addition, the Unit requested that the University of Pamplona review compliance of all registered candidates to determine if there were rectifiable circumstances and additional candidates could be incorporated into the Unit's personnel plant.

2.1.2.b. Inclusion of cross cutting subjects into processes and programs inside the Victims' Unit: Discussion promoted on gender, ethnicity and participation.

During Q8, the Program created open spaces for discussion with national counterparts responsible for various differential approaches supported by the Public Policy Program such as: Gender, Ethnicity, Disability and Participation.

2.1.2.c. Communication strategy: Communications campaign strategy will inform the public and GOC functionaries about the Victims' Law.

Since March the Program has worked with the Victims' Unit to design the Unit's communication campaign strategy to inform citizens, GOC functionaries, and victims about the Victims' Law, its purpose, who has a role in its implementation, what the resulting responsibilities are, and what it means to be a "victim." After three months of discussions, the Unit reached a decision on the television pieces, radio spots and campaign graphics to be developed. This brought the communication strategy activity to a close.

2.1.2.e. Emergency plan for executing the budget for the Victims' Unit (corresponds to new activity under PWS approved in September 2012): Contract management improved.

During Q8, as part of the Program's support for the Unit's operations, the Program has provided short-term support through an emergency plan ("plan de choque") to improve contract management and permit the entity to improve its budget execution for 2012. As a result, the Unit will avoid 2013 budget cuts by the Ministry of Treasury. The process involved:

1. *Technical support for project design.* Support the Unit in preparing paperwork required by the National Planning Department (DNP) for six of the Unit's investment projects. The Program provided support to improve the technical make-up of the projects and to process the paperwork with the DNP.
2. *Contracting support.* Development of a contracting plan, manual and guide for the Unit.
3. *Contracting process analysis.* Support the Unit's General Secretariat to improve contractual procedures and make progress on ending contractual delays that hinder the effective 2012 budget execution.
4. *Operational and technical coordination.* Support the creation of an "elite group" to liaise between the operational and technical areas to achieve streamlined procurement processes.

Milestone 2.1.3 Design of Regional Victims' Assistance Centers**Activities:**

2.1.3. a. Victims' Unit Regional Presence: Strategic and structural vision in place for Regional Victims' Assistance Centers. As part of the Program's assistance on the institutional design of Victims' Unit, in Q8 the Program finalized the technical study for the creation of Regional Victims' Assistance Centers. The study provided inputs for 4 types of Regional Centers based on institutional response capacity and number of victims present in the municipality. The Program provided recommendations for the centers' geographic location, minimum requirements for institutional presence, and a proposal for two-stage client assistance (see below).

Stage 1. Registering and profiling clients. Based on this information a "life" and assistance plan is developed together with the victim, and then monitored by Center personnel via the following services:

1. **Habitual services in the Center:** The Program proposed that at least 13 services be habitually provided (or focus populations served) in the existing regional centers: 1) Humanitarian Assistance; 2) Information Intake; 3) Registration; 4) Compensation/Restitution; 5) Health; 6) Persons with

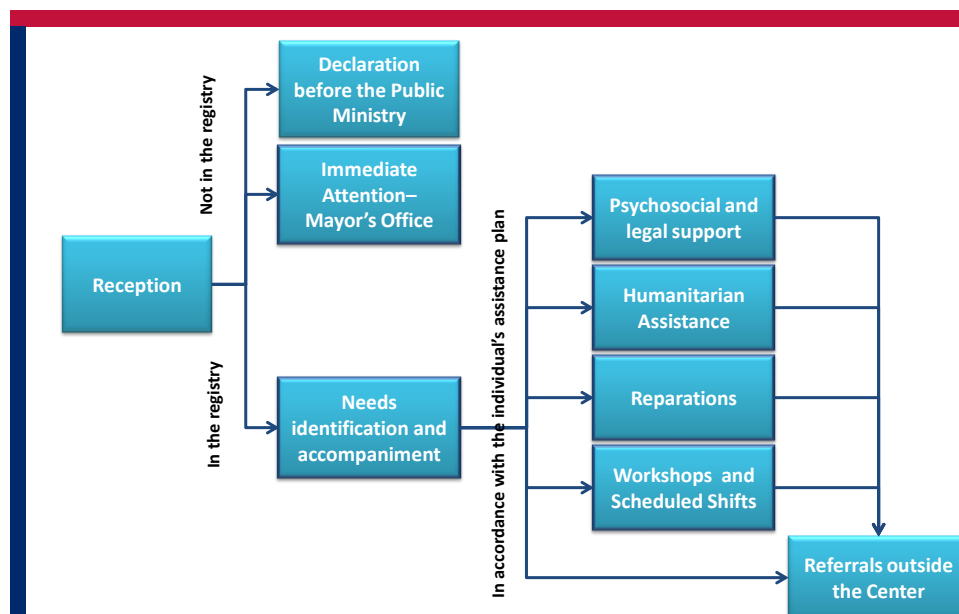
Disabilities; 7) Ethnic groups; 8) Guidance; 9) Nursing care; 10) Protection/Security; 11) Daycare center for families engaged in Center Processes; 12) Virtual services room⁸ and; 13) Services provided by the Colombian Institute of Family Welfare (ICBF).

2. **Scheduled Shifts:** The Program proposed that entities that would not have permanent presence in the Center provide weekly sessions at the centers. This will facilitate the provision of complementary services (such as provision of identification cards and vaccination) for victims in the same place they receive victims'-specific services.
3. **Home Visits:** Those cases that require special attention (based on level of vulnerability) will receive home visits. Vulnerability will be defined in the registration/profiling stage.
4. **Referrals:** Referrals will be provided for entities/services that do not have habitual presence nor provide scheduled sessions in the center.

Stage 2. Processing Stage: Based on the profiling process, some beneficiaries require additional processing (ex., they need to provide additional documentation). These individuals should receive expeditious processing (re-processing should be avoided).



Assistance Path



Based on the Unit's work plan to design mechanisms and procedures for interagency coordination with other GOC national-, departmental-, and municipal-level agencies, the Public Policy Program carried out an analysis of personnel (and professional profiles) needed in the centers, as well as minimum physical infrastructure needed.

Over the course of the quarter, the Program also supported the deployment of the Unit's strategic plan to its territorial teams, including the Unit's mission, objectives, vision, strategic approach, principles and

⁸ For example, a room with internet connection to hook up with information systems available in Bogota, or for government services that do not have habitual presence in the regional center.

values. The 18 strategic projects that address the entity's priorities over the next 10 years were also presented, as well as 2014 goals.

Result 2.2 National Plan Victims' Humanitarian Assistance and Reparations

In compliance with the Year 2 Work Plan, the Program is supporting the GOC to reach full compliance with the goals contained in the policy document. In Q8, the Program initiated a new phase of support for the National Plan (see below).

Milestone 2.2.1 National Plan for Victims' Reparations in Place

Activities:

2.2.1.b. Analysis of Public Services Offered: National Plan for Victims' reparations in place: Responsibilities of National System for Victims' Assistance and Comprehensive Reparations (SNARIV) analyzed. In accordance with the Year 2 Work Plan, the Program has engaged in an analysis of public services offered to victims and providing recommendations to make adjustments in public policy, programs and projects based on victims' characteristics and needs.

The Program is supporting the GOC to effectively implement and put into practice the legal framework for victims' assistance and reparations (National Plan for Victims' Reparations) that was adopted via National Council on Social and Economic Policy (White Paper) CONPES 3276 in May 2012. In Q8, the Program supported to GOC in the identification of key gaps in the services offered by the 42 entities that make up the National System for Victims' Assistance and Comprehensive Reparations (SNARIV) in order to respond to legal mandates and victims' needs. In order to carry this out, the Program systematized information on supply of services (including National Planning Department project descriptions and action plans from each involved entity). This information was contrasted with the roles and responsibilities laid out in Law 1448 of 2011 and its regulatory decrees, (like 387 of 1997, 418 of 1997, 975 of 2005 and 1290 of 2008), and the Constitutional Court Ruling T-025 and related follow-up procedures.

This exercise was validated with the 42 entities involved in the SNARIV via three workshops. Commitments were established to close identified gaps; this will improve the impact of GOC responsiveness to victims.

The findings from this exercise were also used to define the Single Route for Comprehensive Assistance and Reparations which describes the path a victim should follow from the moment of victimization and through the different points of government intervention.

2.2.1.c. Determining when the condition of vulnerability for victims ceases: Index developed to determine cessation of vulnerability. In Q8, the Program officially presented and discussed use of the Cessation Index (indicator to determine when vulnerability for victims ceases) with the GOC (Victims' Unit and DNP).

2.2.1.d Harmonizing State services and making them more flexible to meet the needs of victims: Mechanism delivered to harmonize State's response to victims' needs. In Q8, the Program presented the harmonization mechanism to coordinate and harmonize the State's response to the GOC in regards to victims' services and held a technical workshop to promote discussion about the instrument. Based on the workshop, the Program integrated the GOC's inputs and has officially delivered the document to the Victims' Unit and the National Planning Department.

Milestone 2.2.2 Design of regional reparations plans

Activity:

2.2.2a. Regional action plans: Regional action plan guidelines in use. In Q6, the Program delivered methodological guidelines for regional assistance and reparations actions plans to the GOC. The guidelines were later updated by the GOC in Q7 to ensure coherence with CONPES 3726 (National Plan for Victims' Reparations). The guidelines were adopted and disseminated to regional governments in Q8 and are now in use.

Policy Instruments Delivered

- List of individuals eligible to be incorporated into the Victims' Unit's personnel plant (Result 2.1)
- Victims' Unit communication campaign (television, radio and graphic pieces) (Result 2.1)
- Victims' Unit Regional Centers final proposal document (Result 2.1)

Pillar Challenges & Response Strategy

Challenge 1: Nation-Region Coordination. At present, the Pillar's biggest challenge is to influence the nation-region coordination agenda to ensure that each entity's framework of responsibilities (in relation to victims' care) is clearly defined and adopted. This will guarantee that implementation becomes a reality, and will require close coordination with other USAID operators.

The Pillar's Year 3 Work Plan, initiating in Q9, will put a particular emphasis on:

- Supporting nation-region coordination and structuring a Co-responsibilities System Decree;
- Enhancing National System for Victims' Assistance and Comprehensive Reparations (SNARIV) actions by defining sector-specific responsibilities in order to improve responsiveness to victims' needs and preparing SNARIV implementation guidelines that encompass national- and local-level actions;
- Monitoring the implementation of the Unit's strategic plan to facilitate its 2013 planning process.

Challenge 2: Financial Inclusion. Victims' policy also faces an important challenge in ensuring financial inclusion for the 4 million victims who will receive humanitarian assistance and reparations over the next ten years. This will require structuring and implementing institutionally strong, adequate and transparent programs in coordination with public and private entities. These programs will implement humanitarian assistance and reparations payments and ensure victims are able to rebuild their lives.

In Q9, the Program will work together with the Victims' Unit and banking entities to design financial products and services that respond to victims' needs. In particular, products will contemplate needs related to reparations payments and fiduciaries for minors

Windows of Opportunity

Without a doubt, the initiation of the peace process between the GOC and the FARC (in which victims' issues forms one of the six points of the agenda) represents an important opportunity to strengthen the impact of Program-supported victims' care and compensation policies and activities. The majority of Colombians support peace negotiations but oppose providing concessions to the guerrillas. A middle-ground approach could include requiring the guerrilla to contribute to truth and reparations for victims as a condition for pardon and/or amnesty.

PILLAR 3: CONSOLIDATION POLICY

In Colombia, where the State has been unable to gain control of an area, illegal armed groups have succeeded in establishing territorial control, financing their activities through illegal economic activities including production of coca, extortion, and illegal mining. The underpinning of the National Consolidation Plan is the creation of alliances between communities and the State, based on an irreversible dynamic which focuses on providing target communities with the services reasonably expected of any democratically-elected government, economic development, regional integration, and citizen empowerment. The plan has prioritized seven zones (13 departments and 58 municipalities) which are predominately rural, overwhelmingly poor, and which represent nodal points in the conflict.

The Program supports the GOC in revising and improving the effectiveness of the National Consolidation & Reconstruction Policy (NCRP) by focusing on removing the following constraints: lack of inter-agency coordination at the national level; lack of clarity regarding the relationship of consolidation policies to other national policies (e.g., education, health, etc.); weak presence of the national, regional and local government at the territorial level in target zones; the relative degree of capacity of territorial organization and leadership and; regulatory constraints to rapid disbursement of funds in support of consolidation policies in target zones.

In Q8 the Pillar worked to:

- Improve State presence in consolidation zones;
- Ensure service provision in consolidation zones meets regional needs;
- Ensure government coordination (nation-region and sectorial coordination) to enhance impact in Consolidation zones.

In particular, the Program provided expert advice to the Consolidation Unit on the design, creation and implementation of its Rapid Response Program. As a result, the Unit will be able to effectively acquire and execute resources for priority investments in consolidation zones, thereby generating trust between the population and the State and making the State's presence evident. The management model and operating manuals created for the RRP provide instruments for ensuring transparency in selection, approval, viability, execution, and monitoring and evaluation processes for the use of these public funds.

Also, the Program compared commitments acquired by the different Ministries for investment in consolidation zones with needs prioritized in the regional consolidation plans. This resulted in the development of an action matrix for each sector in the seven regions, and allowed for geographical targeting and rapid initiation of execution of planned investments that total US \$970M.

Results, Milestones and Activities

Result 3.1 National Consolidation Policy (NCP) Framework revised

In accordance with the Year 2 Work Plan, the Program provided support to the GOC for follow-up activities for the National Consolidation and Reconstruction Policy (NCRP), which included: supporting NCRP harmonization with sector-specific plans, finalizing the NCRP CONPES document, and socializing the CONPES content among stakeholders such as the DPS, Ministries of Defense, Justice, Interior, Agriculture and Rural Development, Education, Health, Labor, and 10 other national-level public institutions.

Milestone 3.1.1 Revised NCP Framework

Activities:

3.1.1.c. Final draft of the CONPES document: National Consolidation Policy strengthened.

The Program, along with experts from the DNP, provided advice to the Consolidation Unit via an exhaustive review of the document. This process worked to strengthen the priority areas of land restitution and formalization, victims' assistance and reparations, access to financial services, environmental issues, and the illegal use of natural resources and illegal mining. The Program also provided recommendations in the areas of land restitutions and victims' assistance and reparations.

Milestone 3.1.2 Regional Consolidation Action Plans

Activity:

3.1.2.a. Regional Consolidation Action Plan Methodology: Consolidation action plan methodology tested and delivered.

In Q8 the Program reviewed results to ensure validity of the methodology instrument and make final adjustments. To facilitate monitoring of the plans produced under the methodology, the Program developed an action plan project matrix. Both these documents (final methodology and action plan project matrix) were delivered to the Consolidation Unit.

Milestone 3.1.3 Design of interagency and inter-governmental budget and coordination mechanisms

Activities:

3.1.3.a. Design of coordination mechanisms: Institutions' understanding of each other's roles and responsibilities strengthened. As part of the Program's efforts to design coordination mechanisms and protocols to harmonize consolidation policy and operations with other Program-supported policies, the Program is developing an evaluation of the linkages existing between victims' assistance, land restitution and consolidation policies in order to improve coordination between the three units (Land, Victims' and Consolidation) at the national and territorial level. As part of this assistance, the Program has facilitated institutions' mutual understanding of their activities, objectives, structures, work plans, and territorial implementation. In this phase of support, the Program is supporting coordination workshops between the relevant institutions to identify the activities in which they have shared roles, the way in which they are interacting at the territorial level, and the opportunities that they have to establish coordination mechanisms for complementary activities. In accordance with the Year 2 Work Plan, in Year 3 the Program will provide continued support to define coordination parameters for joint action in each of the regions based on an understanding of the particularities of each region.

3.1.3.b. Guidelines to customize sectorial services: National commitment of US \$970M mapped against territorial demand. The Program is supporting the development of guidelines for the Consolidation Unit, ministries and institutions on how to customize sectorial services to meet consolidation region requirements. In light of USAID and GOC requests for the Program to reorient its support on the guidelines to ensure they are integrated with Victims' Unit regional action plans and existing Contrato-Plans.

In Q8, the Program assisted the Consolidation Unit to complete a mapping exercise showing how commitments made by national level entities (health, education, etc) amounting to approximately US \$970M, are distributed among the 7 consolidation zones (*in accordance with table below*). An exercise was then conducted to compare the supply of State services to consolidation zone vs. needs identified by local and community authorities (included in the regional consolidation plans). As a result, the Unit now has an instrument that compares available supply with demand for state services thereby facilitating the targeting of resources for populations that traditionally have not received state investment. This is a major input for the preparation of the sectorial guidelines.

National-Level Entity Consolidation Zone Commitments. Regionalized. in USD	
Consolidation Zone	Resource Committed for 2012 (USD)
Nudo de Paramillo	\$176,160,556
Catatumbo	\$147,667,778
Macarena - Caguán	\$121,391,111
Cordillera Central	\$101,728,889
Nariño	\$87,461,667
Montes de María	\$73,750,556
Putumayo	\$70,779,444
Funds to Commit	\$191,009,444
Total Committed	\$ 969,949,444

In Year 3, the Program will work along with Ministries to prepare flexible sectorial guides and to adapt their range of services, and will work on finalizing a methodology for customizing income generation services for victims and rural poor in consolidation zones (Chaparral is the first pilot) (see 1.2.3.e. and 1.2.4.).

3.1.3.c. Coordination mechanisms and procedures: Regional development via *Contrato-Plan* for consolidation municipalities. The Program's Year 2 Work Plan describes that in Year 2 and Year 3 the Program will design mechanisms and procedures to coordinate planning, execution, budgeting and monitoring and evaluation of activities and sectorial investments in Consolidation zones, including the implementation of *Contrato-Plan*. In Q8, progress was made in incorporating consolidation issues in the Gran Darién, Southern Tolima and Northern Cauca *Contrato-Plan*.

On September 14, the first *Contrato-Plan* (corresponding to the Gran Darien Region) was signed (see *Major Achievements* section, *Support Activity 3*). This was made possible through Program support to the National Planning Department (DNP) and the Government of Chocó. Two of the municipalities covered under the *Contrato-Plan* form part of a consolidation zone (Valencia and Tierralta (Córdoba)); their inclusion in the *Contrato-Plan* represents an opportunity to integrate the consolidation zone of Bajo Cauca Antioqueño and Southern Córdoba with that of Urabá. This *Contrato-Plan* represents a new form of regional development planning and public resource execution based on the particularities of the region and an endogenous development vision. This is essential for the consolidation zones, because it takes into account the traditional absence of the State and the conflict in order to establish the State's presence and link it to development models.

Five of the six regions prioritized for signing *Contrato-Plan* in 2012 include consolidation municipalities (Northern Cauca, Southern Tolima, Nariño, Arauca, and Atrato-Gran Darién). The joint coordination work, supported by the Program, between the DNP and the Consolidation Unit is essential to: strengthening the terms of the *Contrato-Plan*; guaranteeing the National Government's investment in these regions; and ensuring that regional consolidation plans are included in their respective *Contrato-Plan*.

Result 3.2 Institutional structure designed to implement the NCP at the national and regional level

To succeed, NCRP implementation requires a strong state structure that can determine and understand the demand for state services in priority areas and, is capable of harmonizing these services to effectively reach the territory. Additionally, mechanisms must be established to promote development in these areas through private investment and to ensure economic sustainability in the region. NCRP implementation also requires that the state promote and accompany priority zones in a process of strengthening local institutions and developing social capital to ensure sustainability in the development process in the region.

Milestone 3.2.1 Design of Consolidation Unit

Activities:

3.2.1. b. Comprehensive Strategic and Tactical Planning Process: Tactical plans in place for each technical area within the Consolidation Unit. The Program finalized its support for the Consolidation Unit's Strategic and Tactical Planning Process during Q8. In accordance with sub-activity "c" of Activity 3.2.1.b. of the Year 2 Work Plan, the Program helped the Unit to finalize consolidation of the Unit's technical offices' action plans. The Program held five two-day workshops with the Unit to design client and product maps for each of the Unit's three technical directions, the general secretariat and the planning office, and then provided support to each area in the construction of their action plans (activities, responsibilities, goals, resources, and timeline). These plans now serve as the work plan for each technical direction and an instrument for monitoring the Unit's performance goals.

Milestone 3.2.2 Design of Consolidation Fund

Activities:

3.2.2.a. Structure flexible budgeting mechanisms: Rapid Response Program (RRP) created as a public investment instrument. As part of the Program's efforts to prepare a document with recommendations on alternatives for structuring a flexible consolidation budget mechanism for timely response to the region, in Q8, the Program supported the development of a document on recommended contracting modalities for the Rapid Response Program (RRP). Based on the recommendations accepted by the Unit, the Program prepared the RRP's operating model and process manual. The manual contains instructions for the allocation of resources, the verification and approval of resources, and the execution, monitoring and control of financed projects. The Program also supported the design of contractual models and the criteria for evaluation of possible operators.

The RRP aims to accelerate territorial consolidation with State presence in order to generate trust in consolidation zones. Projects have been identified, formulated and executed to serve community needs identified through a participatory exercise. As a result of this exercise, the Rapid Response Program has (through September 30) approved projects worth approximately 83% of the total budgeted amount (US \$15M), in the following categories: (1) income-generation, (2) small infrastructure, and (3) community assistance and social welfare.

3.2.2.b. Draft regulation: Rapid Response Program structured under Resolution 284 of 2012. The Program developed Resolution No. 284 of 2012 to create the Rapid Response Program. This

regulation structures the RRP, defines functions and creates evaluation, approval, and monitoring committees, and officially approves its operational manual.⁹

3.2.2.c. Expert roundtable: In Q7 and Q8, the Program coordinated discussions between experts and the Consolidation Unit to discuss recommendations for the creation of a consolidation budgeting mechanism (i.e., the Rapid Response Program).

Policy Instruments delivered

- Methodology to develop Regional Consolidation Action Plans (Result 3.1)
- 5 Consolidated Action Plans (Harmonization Technical Direction, Regional Technical Direction, Illicit Crops Program, Planning Office, and General Secretariat) (Result 3.2)
- Rapid Response Program Technical Manual (Result 3.2)
- Rapid Response Program Process Manual (Result 3.2)
- Rapid Response Program Contracting Models (Result 3.2)
 - Proposed Inter-administrative Agreement
 - Preliminary Studies Model for public bids
- Rapid Response Program Scheme for the evaluation and eligibility of proposals (Result 3.2)

Pillar Challenges & Response Strategy

Challenge 1: Consolidation Policy CONPES document and Regional CONPES Documents. To date the GOC has not signed the National Consolidation Policy CONPES document and is now considering signing 7 separate regional-based CONPES documents. If the GOC moves forward on this decision, it will be a challenge to ensure that the regional documents include a wide range of the Nation's regional development initiatives (not just consolidation).

In response, the Program will advocate that the GOC issue the National CONPES document and adapt to the technical assistance needs presented by the seven regional CONPES documents (should the GOC move forward with their preparation). If required, assist the Consolidation Unit in the construction of regional consolidation CONPES documents (Year 3 Work Plan).

Challenge 2: Implement an efficient budget execution model for 2013 within the Consolidation Unit, avoiding delays in the execution. In response, the Program will design and initiate implementation of a pilot exercise in order to improve the Territorial Consolidation Unit's planning and budget execution processes in order to ensure the Unit meets goals related to supporting consolidation zones (Year 3 Work Plan).

Challenge 3: Consolidation Unit needs to develop a consolidation index to establish criteria for a municipality to become or to no longer be considered a "consolidation municipality." Analyze and understand implications of new consolidation zones (e.g., Arauca). In Q9 the Program will design the aforementioned Consolidation Index.

Challenge 4: Improve local investment in consolidation zones. In Year 3, the Program will support the DNP in ensuring territories have the necessary tools to formulate projects, particularly those to be financed with royalty funds. The Program will also strengthen coordination between the *Contrato-Plan* planned for 2012 and regional consolidation plans, and ensure priorities identified by the latter are included in the former.

⁹ Created under Support Activity 3.2.2.a.

Windows of Opportunity

If the GOC moves forward with preparing regional CONPES documents for consolidation zones, this will create an opportunity for greater sectorial participation in consolidation zones, enabling the Program to promote key policy issues and instruments (land restitution and formalization, victims' issues, and regional development initiatives - *Contrato-Plan* and Rural Development Programs with a Territorial Focus (PDRET)).

SUPPORTING ACTIVITIES CONTRIBUTING TO RESULTS

The Program is supporting a number of cross cutting issues that are critical to the achievement of results in each pillar to ensure integration of policy implementation at the regional level: mechanisms for budgeting and coordination at the territorial level; sustainable livelihoods and access to finance; environment, biodiversity and climate change; and gender. Lessons learned from past reform efforts indicate that land reform, assistance to victims, and consolidation must be accompanied by simultaneous reforms in other areas to ensure effective and sustainable results for rural communities.

SUPPORT ACTIVITY 1. GENDER

Over the past Quarter the Public Policy Program has worked closely with the High Commission for Women's Equity (ACPEM) in its effort to develop a cross-cutting approach to gender issues that bridges all government policies (instead of designing specific projects or programs). Together with the ACPEM, the Program structured a joint work plan to advance these goals in Q9 and Q10. The work plan focuses on interventions with institution or on policies where the Public Policy Program is already working.

Support Activity Result 1.1: Identify How Current Institutional and Legal Frameworks and Policies Facilitate Gender Inequality or Fail to Address Gender Disparities

Support Activity 1.1.a. Assessment of GOC service delivery: GOC dedication to gender issues analyzed. As part of the Program's efforts to identify how institutional frameworks fail to address gender disparities, the Program is coordinating with the ACPEM to assess gender equity among GOC service delivery to victims, poor farmers and ethnic minorities. In Q8, the ACPEM requested data from a range of GOC agencies implementing rural development programs. Data on amounts and percentage of annual resources spent on women from 2008 to 2011 will be analyzed to identify the level of women's access to these programs. The Program's initial analysis (based on partial information) reflects that in some cases women form less than 30% of program beneficiaries.

Also, in Q8, the Program carried out a request for proposals process to select an international firm to will share best practices and lessons learned in gender equity implementation with strategic staff within key GOC institutions.

Support Activity 1.1.b. Review institutional strengthening activities:¹⁰ Gender focus integrated into institutional strengthening activities. As part of the Program's work to design the Victims' Unit, Land Restitution Unit, and Regional Victims' Attention Centers, the Program has made efforts to ensure these institutions include a gender focus, as required by the Victims' Law (Q8, See *Support Activity 1.3*). Results from the analysis to be conducted under *Activity 1.1.a.* will provide the

¹⁰ Also complies with Support Activity Result 1.2.

Program with additional inputs to assess and tweak institutional strengthening activities it is carrying out with MARD, INCODER, the Victims' Unit and the Consolidation Unit. Also, continued coordination with the ACPEM is essential to guaranteeing progress is made in these areas.

Support Activity I.I.e. Report achievements and coordination: Work plan finalized with ACPEM. In Q8 the Program continued to meet with the GOC, USAID, UN Women to coordinate gender activities. In particular, the Program finalized its joint work plan with the High Commission for Women's Equity (ACPEM). Additionally, the Program prepared a report on gender in Colombia for USAID. The report provided the mission background on women's issues in Colombia and the relevant public policy context. The Program also provided periodic reports on gender policy issues related to Program-supported issues via the Program's BiWeekly Public Policy Report.

Support Activity I.I.f. Gender differential approach inclusion:¹¹ Barriers to women's access to financial services identified. As part of the Program's efforts to analyze a gender differential approach to the provision of financial services, nutrition, agriculture extension services, income generation services, access to land and housing, the Program organized several working group sessions with experts. In the working group session on financial services, experts agreed that the GOC must work to remove barriers that impede women's access to financial services (not just create special credit lines or services for women).

Program experts have also worked to incorporate a gender-differential approach in the Land and Rural Development Bill. The Program worked with the ACPEM and Program experts to address gender issues involved in the bill, particularly in the areas of land, nutrition, income generation, extension services and technical assistance. The ACPEM is working with rural women to ensure these recommendations are incorporated into the final version of the law.

Support Activity Result 1.3: Gender Theme Represented in the Discussion Regarding Program-supported Reforms in Coordination with other USAID Programs and the GOC

In compliance with the Program's Year 2 Work Plan, the Program has worked in coordination with USAID and the GOC to support gender participation in discussions regarding Program-supported reforms. Over the course of Q8, the Program worked to strengthen the differential gender focus as part of the assistance to be provided in the Victims' Regional Assistance Centers. As required by the Victims' Law, women must receive preferential and immediate attention.

Window of Opportunity

On September 12, the Office of the President, ACPEM and Michelle Bachelet, executive director of UN Women, launched a new gender equity policy. At the launch, Colombia's president commented that the biggest challenge to gender equity is the development of policies and tools that will break down traditional and cultural patterns that multiply inequities. This represents a window of opportunity to advance discussions on gender issues with Program-supported institutions.

¹¹ Also complies with Support Activity Result 1.2.

SUPPORT ACTIVITY 2. ACCESS TO FINANCE

In Q8, the Program provided technical assistance to the Ministry of Finance (MOF), *Banca de las Oportunidades* (BDO), Ministry of Agriculture and Rural Development (MARD), *Banco Agrario*, *Finagro* and the Victims' Unit. The Program designed a request for proposals for a Challenge Fund to promote innovative ideas for carrying-out e-transactions and delivered results of a liquidity management study for promoting the expansion of banking agents was presented. The Program also developed guidelines to reform the Agriculture Finance System (AFS) to system in order to support the GOC's rural development needs: i) Offer financial service access to the rural population (credit, savings, insurance and transfers); ii) Offer financing in amounts and periods that meet the needs of small, medium and large producers; and iii) Energize financial access to promote rural development. Finally, the Program supported the organization of financial fairs to promote savings among the victims of Mampuján and promoted strategic alliances with banks for expanding financial services in consolidation municipalities.

RESULTS AND ACTIVITIES

Support Activity Result 2.1: Financial Networks expanded to rural areas and consolidation zones

Support Activity 2.1.1. Mobile Financial Services (MFS) and E-Money Developed

Support Activity 2.1.1.a. Payment assistance: Challenge Fund to promote E-Transactions launched. As part of the Program's support to the GOC to design processes to pay conditional cash transfers and disburse victims' reparations through e-transactions, the Program supported the development of a "Challenge Fund" to promote the development of new technologies, financial networks and adequate financial products.

In Q8, the Program's expert team assisted the Ministry of Finance (MOF) and *Banca de las Oportunidades* (BDO) in determining the types of entities (profile) that could present proposals, the types of initiatives that could compete for resources and the criteria for evaluation and selection for the "Challenge Fund." Interested parties will be invited to compete for a pool of funds that will be awarded to the strongest proposals. The Program also helped to socialize the initiative with the GOC and private sector. As a result of this work, the Ministry of Finance and the BDO agreed to form a competitive fund to promote the development of new technologies and products that promote electronic transactions in Colombia. The government has put aside US \$1.6M to co-finance up to 50% of the value of each project, with a minimum of US \$60,000 and a maximum of US \$550,000 per project. The GOC hopes to receive 10 innovative ideas and to co-finance at least three of them.



Challenge Fund socialization event, Sept 2012.

Banks, cooperatives, low-cost payment system administrators, and postal payment operators may present proposals individually or in association with cellular telephone companies, technology providers, or businesses with large distribution chains. The initiatives that can compete for resources include:

Payments to businesses (P2B); business to business transactions (B2B)¹²; payments to the government (P2G); and government payments to people (G2P). Proposals may be to develop new products, using or extending new channels, incorporating new technologies and allowing for the acceptance of electronic payments in a larger number of businesses. The bid process will have two phases: in the first phase (Q9) the Program will assist the BDO in identifying the strongest innovations and in phase two (Q10) the Program will assist the BDO in assessing proposals and selecting the strongest ones for co-financing.

Policy Instruments delivered:

Call for Proposals # 54 “Call for Proposals to promote financial inclusion through electronic transactions.” August 15, 2012.

Support Activity 2.1.2 Liquidity Management in Banking Agents (CNBs) Improved

Support Activity 2.1.2.a. Improve liquidity management in rural areas: Field study on liquidity management presented to GOC. In Q8 the Program presented the results of a field study on cash management carried out in four municipalities: Calamar (Guaviare), Pueblo Nuevo (Córdoba), Rovira (Tolima) and Bosa (marginal neighborhood in Bogotá)¹³ to the BDO and to participating financial entities (*Bancolombia*, *Banco Popular*, *Banco Caja Social* and *Banco Agrario*) with specific recommendations on how they can improve the functionality of their banking agents. The principal recommendation that came out of the study was to authorize deposits between financial entities in order to reduce costs and cash management risks. The financial entities responded positively to the recommendations; however, implementation must take business concerns into consideration.

Support Activity Result 2.2: Make available financial instruments tailored to the needs of population in rural and consolidation areas, victims, and vulnerable populations

Support Activity 2.2.2 Agricultural Finance System (AFS) Improved

Support Activity 2.2.2.a. Assist the GOC in the reform of the Agricultural Finance System (AFS): Guidelines to reform the Agriculture Finance System (AFS). As part of the Program’s efforts to facilitate financial inclusion for small farmers and vulnerable populations, in Q8, the Program supported the GOC (MARD, *Banco Agrario* and *Finagro*) in the development of guidelines and recommendations to reform the Agriculture Finance System (AFS). To do this, the Program put together a team of experts in financing, capital markets, and agricultural policy to work with representatives from the three aforementioned GOC entities. The Program also developed guidelines to propose an increase in funding and financing to stimulate the sector’s development. This will include diversification of funding sources, modifying mechanisms for subsidy assignment, and public guarantees assignment (Agricultural Guarantee Fund) and developing capital markets to finance long gestation crops.

To mitigate risks, the Program proposed that the following be developed: agricultural insurance, coverage, derivatives, and investment in venture capital funds. This implies modifying the current institutional framework by transforming *Finagro* into a development agency for the sector, and *Banco Agrario* into an integral financial services provider (savings, insurance, transfers) for the agricultural and non-agricultural sectors. At present, *Banco Agrario* only offers credit to agricultural producers. In Q8 the

¹² For example, between big producers and small businesses.

¹³ These municipalities are representative based on the need of the municipalities’ banking agents to displace to another municipality (or a large distance) in order to deposit cash.

Program presented the guidelines to *Finagro* and *Banco Agrario*. Both entities accepted the proposed reforms and requested that the Program continue to work to further develop the needed reforms based on feedback from *Finagro* and *Banco Agrario*.

Support Activity 2.2.3 Financial Inclusion for Victims of Violence

Support Activity 2.2.3.a. Facilitate financial inclusion for victims: Victims of Mampuján saved more than US \$1M of reparations received. The Public Policy Program aims to support the GOC in promoting financial inclusion for victims of the armed conflict. The victims of Mampuján (Bolívar)¹⁴ received judicial reparations in the order of US \$10M at the end of August 2012. The average per victim was US \$12,000, but some received up to US \$400,000. In order to encourage an appropriate investment of these resources, prior to paying-out the reparations, the Public Policy Program supported the Victims' Unit in organizing financial fairs to promote the savings of these funds in projects that would contribute to the reconstruction of victims' lives, through housing, education, land and productive activities. Financial education sessions were held prior to the fairs, emphasizing the importance of savings and future planning. The fairs were held the week of August 13 in four localities of the Department of Bolívar: Cartagena, Mampuján, San Cayetano and San Juan de Nepomuceno. Four financial entities participated (*Davivienda*, *Bancamía*, *Banco Agrario*, and *Fondo Nacional del Ahorro*), offering savings accounts, term deposits and life insurance products. The fairs were attended by 686 victims (of a total of 800). As a result, victims saved more than US \$1M in savings accounts and term deposits. Additionally, more than US \$50,000 was invested in life insurance products. This is the first time the Program provided access to financial services support to the Victims' Unit. The GOC has considered that additional massive support will be needed in this area in the near future.



The financial fair in Mampujan was held on a farm located on the main road.

Support Activity 2.2.4 Financial Products Expanded in Consolidation and USAID Afro-Colombian & Indigenous Program (ACIP) Municipalities

2.2.4.b. Synergies with CELI and ACIP Programs: USAID CELI implementers assessed in the development of alliances to expand financial services. As part of the Program's work to assist USAID Consolidated and Enhanced Livelihoods Initiative (CELI) programs in the implementation of microfinance programs to expand access to financial services in priority municipalities, in Q8 the Program continued to work with USAID CELI implementers in the development of alliances with *Bancamía* and *Seguros Mapfre* in order to offer agricultural lending, village banking and agricultural insurance in consolidation municipalities. The Program also assisted the USAID CELI Central Program in the development of a Financial Services Diagnostic for the Department of Meta.

¹⁴ The forced displacement and murders occurred in 2000 and were committed by paramilitaries belonging to the Héroes Montes de María Block of the United Self-Defense Forces of Colombia.

Pillar Challenges & Response Strategy

Challenge 1: Agriculture Finance System (AFS) Reform. The AFS reform guidelines imply profound short-, medium- and long-term reforms that imply the modification of regulation, policy instruments and institutional reform. It also changes conditions for medium and large producers that currently benefit from the system and resistance can be expected from these stakeholders. The Program will work with *Finagro*, *Banco Agrario* and the Ministry of Agriculture to develop innovative solutions to short-, medium-, and long-term requirements.

Challenge 2: Access to finance for victims. The GOC has a major challenge in ensuring financial inclusion for the 4 million victims that will receive humanitarian assistance and reparations over the next 10 years. The GOC needs to structure humanitarian assistance and reparations payments, and ensure victims use these funds to rebuild their lives. This implies structuring and implementing institutionally strong, adequate and transparent payment and financial services strategies in coordination with public and private entities.

In Q9, the Program will support the Victims' Unit in designing a payment system for humanitarian assistance and reparations and a financial education pilot program for victims (US \$1B/year) and the design of a financial education program for victims (to reach 4 million victims throughout the country over the next 10 years).

Challenge 3: Expand financial services in consolidation municipalities. The challenge is to: (a) expand financial services (credit, payments, transfers, savings and insurance) in municipalities where there is low financial presence, absence of land titles, presence of illegal groups, and poor infrastructure (mainly tertiary roads) and (b) to facilitate the municipal economic integration with domestic and foreign markets, boost local economies, promote investment and facilitate the success of productive chains.

In Q9, the Program will support the Consolidation Unit in the development of strategic alliances with the *Banca de las Oportunidades*, *Banco Agrario* and private sector financial entities in order to increase financial presence in target municipalities.

SUPPORT ACTIVITY 3. LINKAGES BETWEEN GOVERNMENT LEVELS AND USAID IMPLEMENTERS

In Q8, the Program worked to bring national policies to the region through three types of nation-region pilots: *Contrato-Plan*, Rural Development Programs with a Territorial Focus (PDRET), and financial inclusion for victims.

Thanks to Program support to the Department of Chocó in the design of its *Contrato-Plan* management strategy and its negotiations with mayors' offices in Chocó, the Departments of Córdoba and Antioquia, the National Planning Department and the Ministries, the first *Contrato-Plan* was signed in Q8. This created confidence across the country in regards to *Contrato-Plan* as a legitimate instrument for coordinating different levels of government and managing investments with distinct sources of funding as a whole. It helped to validate the National Government's interest in promoting the *Contrato-Plan* as one of its principal planning instruments. In addition, it helped the Program to identify shortcomings in the model and identify opportunities to improve the model for use in the pilots the Program is supporting in other regions (Southern Tolima, Northern Cauca, Nariño and Montes de María). In particular, improvements will be made in regards to the process for defining the territorial vision, identifying regional priorities and objectives, and negotiations between local actors.

Support Activity Result 3.1 Link Local, Regional and National Government and USAID Implementers

3.1.b. Pilots to bring national policies to the region: Three types of nation-region pilots supported. In coordination with USAID regional programs and the GOC, the Program facilitates the implementation of methodologies and manuals designed to bring national policies to the regional level. In Q8, the Program supported *Contrato-Plan* implementation in Montes de Maria, Sur del Tolima, Atrato-Gran Darien, Northern Cauca and Nariño, Regional Development Programs with a Territorial Focus (PDRET) in Montes de Maria, Sothern Tolima and Cauca, as well as a financial inclusion pilot in Mampuján (Bolívar).

3.1.d. Support decentralization process: Departmental Regime document fine tuned. In accordance with the Year 2 Work Plan the Program is providing technical assistance to the GOC to strengthen reforms developed for promoting the coordination of reforms, strategies and mechanisms orientated to improving the development of territorial entities and regions, such as the municipal and departmental regime. The municipal regime was approved by the GOC in Q7. The Departmental Regime is currently in its third debate in Congress. In Q8, the Program continued to fine tune the document by including territorial entities' responsibilities in regards to providing assistance and reparations to victims.

3.1.f. 4 Workshops: In Q8, the Program continued to hold workshops with national, departmental and local officials and USAID implementers to improve coordination and ensure national level polices are brought to the regional level. The Program supported workshops on implementation of *Contrato-Plan*, Royalties and Public Private Partnerships in Sincelejo, Cartagena and Tolima. Participants included the territorial DNP secretariats, the regional INCODER offices, and regional consolidation management teams.

Mechanisms for budgeting and coordination at the territorial level

3.1.g. Contratos-Plan regulation: Contrato-Plan governance model designed. In Q8 the Program designed the *Contrato-Plan* governance model and initiated design of monitoring and evaluation model for *Contrato-Plan*. And, based on pilots, we're documenting what is working and what is not to develop a regulation on how *Contrato-Plan* should function.

3.1.h. Contrato-Plan pilots: Contrato-Plan pilot moves forward in 3 regions. In compliance with the Program's Year 2 Work Plan, the Program has supported the design of a *Contrato-Plan* legal model. Thanks to the Program's support the Gran Darien region *Contrato-Plan* was signed this quarter. In addition, agreements were reached with regards to the objectives of the Southern Tolima and Northern Cauca *Contrato-Plan* for the next five years. Exploratory meetings were held between different government sectors (e.g. road infrastructure, agriculture) and local institutions in order to establish priorities in each region, and the institutional services available at the national level for the regions.



Departmental Governors of Gran Darien Region (Chocó, Antioquia, and Córdoba) celebrate joint plans for the region.

Photo: elmerdianodecordoba.com.co

Atrato-Gran Darién's Contrato-Plan: In Q8, the Program supported the government of Chocó to negotiate with the Antioquia and Córdoba as well as the DNP and Ministries on what projects would be included in the region's *Contrato-Plan*, and what level of funding would be financed from the national level. The Program also supported the DNP in designing strategies to leverage funding from ministries and national level entities.

As a result of this work, on September 13, the Gran Darién *Contrato-Plan* was signed between the Director of the National Planning Department (DNP), the Governors of Chocó, Antioquia, and Córdoba, and a mayor from each department, representing participating municipalities. The President of the Republic, mayors from each of the 25 participating municipalities, local functionaries, and representatives of community councils, and civil society and women's organizations were in attendance.

Speeches by the President, governors, and Mayor of Apartadó all touched on the importance of the instrument for regional planning; it organizes public investment for the next five years, aligns resources and policies across different levels of government to make high impact investments, strengthens decentralization, and facilitates the investment of royalty funding. The *Contrato-Plan* is expected to leverage approximately US \$500 million in national-, departmental- and municipal-level funding, allowing departmental and municipal governments in the Gran Darién region to fund and implement regional projects. The projects focus on four areas: 1) economic development, 2) housing and public services, 3) sustainable social development, and 4) infrastructure and energy. Some of the first initiatives will include schools, health centers and improved roads. For the governors, this creates a new regional development model to overcome poverty and develop local capacity that is not limited by political-administrative divisions. The model also addresses the greatest needs of different population groups. The Gran Darién *Contrato-Plan* will benefit 2 consolidation municipalities and 19 municipalities with a high concentration of victimization.¹⁵

Northern Cauca Pilot: In Q8 the Program supported the DNP in designing the Cauca *Contrato-Plan* pilot and a region-specific CONPES document that will provide the policy framework for the *Contrato-Plan*. The Program also supported the Cauca government in strategizing its use of the instrument.

Since February, the GOC, led by the DNP together with the Cauca Secretary of Planning, has advanced the construction of a regional long-term development vision and strategic guidelines and projects that will form the *Contrato-Plan*. In July the Program initiated support for the *Contrato-Plan* via the provision of support to the Governor's Office of Cauca and the DNP to negotiate the *Contrato-Plan* for the region. This month, six meetings have been held¹⁶ to identify projects and the main focus of the *Contrato-Plan*. Twenty projects were prioritized in the following priority areas: Water and basic sanitation, Education, Health, Productivity and Income Generation, Road Connectivity, and ICT. The estimated total cost of these projects is approximately US \$406M.

The Program supported the GOC in coordinating meeting in August and September with GOC sectors in charge of coordinating public policies and the projects prioritized under the *Contrato-Plan*, in order to define the contributions from the national and local governments. Simultaneously, the Program provided support to the Governor's Office to make adjustments to the projects based on GOC suggestions and the requirements of the National Planning Department's General Adjusted Methodology.

¹⁵ Compared to the total population there are more than .5 victimizing events per inhabitant (displacement, homicide, landmines, extortion, forced disappearance, lesions, loss of goods, recruitment of minors, torture, or kidnapping).

¹⁶ 2 in Popayán, 1 in Puerto Tejada and 3 in Santander de Quilichao

The GOC has moved forward on negotiating these priorities with the Nation and its sectorial entities. It is expected that the pre-*Contrato-Plan* will be signed at the end of October for approximately US \$277.8M. Over the next few months, Cauca and the GOC have planned to initiate two more *Contrato-Plans* – one for the *Macizo Colombiano* sub region and another for the Pacific Region.¹⁷

Cauca CONPES preparation: In order to ensure holistic support to Cauca, the Program is also initiating support for complementary measures such as a National Council on Social and Economic Policy (White Paper) (CONPES)¹⁸ for the department and the negotiation of sectorial issues with indigenous authorities.

The CONPES will include: (1) strategic guidelines to improve service delivery across the department and (2) an action plan with responsibilities and budgets across Government of Colombia (GOC) agencies to meet the commitments the National Government is making with departmental and municipal governments, ethnic minorities and small farmers. The CONPES is expected to include action items for: land use and management; land restitution and formalization; sustainable livelihoods; and improved access to social services and infrastructure in rural areas. These action items are being informed by the region's consolidation plan¹⁹ and the *Contrato-Plan*. In parallel, Cauca's regional government is advancing on the construction of a territorial vision that will guide the CONPES.

The Program is currently supporting the DNP in collecting information from the different sectors about the investments that they have prioritized for Cauca. At the same time, the Governor's Office of Cauca is continuing with the construction of a territorial approach that should be reflected in the CONPES document, in its recommendations and in the commitments of the GOC in the region.

Pillar Challenges & Response Strategy

Challenge 1: *Contrato-Plan* expansion. President Santos has prioritized the signing of the pre-*Contrato-Plan* for Northern Cauca and Southern Tolima for 2012. It will be a challenge to finalize negotiations by the end of November given that each region must work on technical and financial structuring of the projects, in accordance with the Royalties' standards/formats. In a short amount of time *Contrato-Plan* implementation requires: ensuring feasibility of projects and their impact; guaranteeing agreed-on contributions; legal concepts to facilitate the coordination between different levels of government; and a monitoring and evaluation system to ensure public accountability.

Program Response: In Q9 the Program will support the signature of these *Contrato-Plan* via the following actions:

- Construct a regional development vision;
- Coordinate different levels of government (National, Departmental and Local); and
- Ensure sectorial budgetary commitments (health, education, etc).

SUPPORT ACTIVITY 4. ENVIRONMENT

The USAID Public Policy Program provides assistance to the GOC for the identification of reform priorities, and support to reforms and to the implementation of plans for the protection and conservation of biodiversity, climate change, and land-use planning. It provides technical support and

¹⁷ The Pacific Region *Contrato-Plan* may extend outside of Cauca, or may only include municipalities from Cauca.

¹⁸ CONPES. National Council on Social and Economic Policy (White Paper). Technical document via which the National Government (at the highest levels) defines sectorial and territorial public policy guidelines, investment, actions and goals over time.

¹⁹ The regional consolidation plan covers 5 municipalities.

produces environmental policy recommendations for the introduction of payments for environmental services and greenhouse gas reduction policies. The Program assists in the implementation of relevant institutional reforms and supports an open dialogue between GOC officials and communities to build consensus regarding the definition of roles and responsibilities on community lands and indigenous reservations. In Q8 the Program's work led to the definition of fourteen high-impact activities for Colombia's Low Emission Development Strategy (LEDS).

Support Activity Result 4.1 Support Implementation of the Policy that Defines the National System of Protected Areas -SINAP (CONPES 3680)

Support Activity 4.1.a. Harmonize Protected Areas Categories: Experts discuss manual to define conservation categories. As part of the Program's work to support a new methodology to evaluate natural spaces, in Q8, the Program held three workshops with the National Natural Parks Unit's (PNNU) regional offices, the National Marine Research Institute, and the *Corporaciones Autonomas Regionales* and made progress on development of a manual to define conservation categories.

Support Activity 4.1.b. Evaluation system for the National Natural Parks Unit: Indicators developed to measure pressure on Colombia's ecosystems. The Program has supported the PNNU in the analysis of 13 marine protected areas in Colombia, and to date has proposed a set of 13 indicators to measure pressure on coastal and marine ecosystems; they will serve as early warnings and medium-term decision-making tools.

Support Activity Result 4.2 Support Policy Design to Develop PECS

Support Activity 4.2.a. Reducing Emissions from Deforestation and Degradation (REDD): Recommendations provided to MOE to reduce emissions from deforestation. The Program supported the MOE in identifying the principal sectors (from the MOE's point of view) in which it is necessary to reduce deforestation and in identifying the principal policy documents and legislative initiatives that can be taken advantage of to incorporate environmental issues in order to prevent and control deforestation.



National Natural Parks Unit officials, Autonomous Corporations and INVEMAR gather for a meeting to discuss what measurement tools to use.

The Program identified and analyzed legislative and regulatory initiatives, as well as public policy proposals (supported by the Public Policy Program) currently under discussion where it would be opportune to incorporate REDD recommendations that could contribute to sectorial control and reduction of deforestation. Specifically, the Program analyzed and made REDD recommendations for the Land and Rural Development Bill, the Mining Land Use Plan (Article 109 of the National Development Plan), and the National Consolidation and Reconstruction Policy.

In addition, the Program made recommendations on actions the MOE could take to control the loss of forest coverage, its ecosystem services and promote conservation and sustainable management of natural forests. For example, the Program recommended the use of Payments for Environmental Services.

Support Activity Result 4.3 Support GOC in Climate Change Policy Initiatives

Support Activity 4.3.a. Climate change policy document: Decree drafted on addressing climate change. In Q8, the Program concluded its contributions to the draft decree creating the National Climate Change System (SNCC), thereby concluding its support for the development of an integrated policy to address climate change, biodiversity protection and conservation, the reduction of green house gases and land use. The Decree is currently under signature process by different Ministries and relevant entities. The SNCC is regulation that will guide and control the country's climate change strategy.

The Program also initiated support for the Hydrology, Meteorology and Environmental Studies Institute (IDEAM) to structure the Third National Communication (TCN) on Climate Change. This effort will result in United Nations funding to develop a project to adapt the country to climate change (ex., mitigate flooding effects in low-land areas).

Support Activity 4.3.b. Low Emissions Development Strategy (LEDS) study: Inputs provided to LEDS study. To date the Program has offered specific inputs to the LEDS study on transportation and agribusiness to the country's Low Emissions Development Strategy Study. These inputs form part of a study complied by the World Bank in Q8 and delivered to the Ministry of Environment and Sustainable Development.

Support Activity 4.3.c. Support National LEDS strategy: Experts contribute to national LEDS strategy. From Q6 to Q8, the Program worked with the Ministry of Environment and Sustainable Development to support Colombia's Low Emission Development Strategy (LEDS) to identify and characterize future greenhouse gases emissions that could imply potential commercial barriers or loss of opportunities in regards to resources and technology (ex., commercial restrictions in free trade agreements based on emissions produced). In order to do this, the Program coordinated and facilitated workshops in 5 technical areas (Transportation, Agribusiness, Mining and Energy, Industry and Waste Materials) that involved high-level stakeholders and decision makers. In these workshops, participants prioritized activities that generate greater impact on reducing the emissions of greenhouse gases (ex., promoting alternative transportation methods or intensive livestock farming). As a result of these efforts, in each of the five sectors, stakeholders prioritized 14 high-impact activities that will work to reduce greenhouse gas emission by 2040. This data will allow the GOC to make decisions, prioritize actions, and construct an action plan for the five sectors.

Support Activity Result 4.4 Support GOC in Sustainable Urbanism and Construction

Support Activity 4.4.a. Sustainable urbanism and construction policy document:

International cases reviewed for applicability to Colombia's sustainable urbanism strategy. During Q8, the Program worked with the DNP to carry out an analysis and to define a theoretical framework to limit the scope of the CONPES document. As part of the analysis, international cases were reviewed and similarities found (particularly in Mexico) that can serve as a guide for Colombia. The Framework also reviewed policies that could affect future interventions and the institutions responsible for urban public life.

SUPPORT ACTIVITY 5. AFFIRMATIVE ACTIONS FOR AFRO-COLOMBIANS

The Program promotes spaces for dialogue and discussion regarding the *Consulta Previa* process. Colombia recognizes the right of minorities to participate in policy making when actions included in policies affect their life conditions, nevertheless this consultation process lacks regulation. So, it requires a wide debate to discuss how the consultation should be made. The Program also supports the GOC in monitoring GOC progress against commitments made to ethnic communities within the National Development Plan.

Support Activity Result 5.1 Affirmative Actions for Afro-Colombians

Support Activity 5.1.b. Monitor GOC commitments to indigenous peoples and Afro-Colombian communities: Program-supported monitoring serves President Santos in dialogues with indigenous community. In Q8, the Program continued to support the Technical Secretariat to the *Technical Roundtable for Inter-institutional Coordination* to verify GOC compliance with commitments made in the National Development Plan with Afro-Colombian and indigenous communities. The Program held meetings with 17 of 23 participating entities to update the monitoring instrument. This tool served as the basis of the dialogues the GOC (and the President) has had with indigenous communities over the course of Q8.

Support Activity 5.1.c. 2 Workshops: Although the Year 2 Work Plan discussed Program support for 2 workshops to discuss regulation of *Consulta Previa*, the GOC decided, given political sensitivity on the matter, to manage a confidential process to prepare the *Consulta Previa* Law. As such, it was not considered pertinent to support workshops with expert participation. On the other hand, the Minister of the Interior has recently changed, so GOC outlook on this issue may change. The Program has initiated discussions with the new Minister on *Consulta Previa*.

SUPPORT ACTIVITY 6. Knowledge Management

The Program's Knowledge Management strategy aims to produce strategic communications on Program achievements and lessons learned, and also builds a knowledge base, for internal and external audiences, regarding the processes and methods used to achieve public policy innovation and profound legal and institutional change in Colombia. In Q8, the Program continued to make advances in telling its successful story and strengthening the flows of information to direct stakeholders already familiar with the Program's work.

Support Activity 6.a. MONITOR: In September DevTech met with the Victims' Policy Pillar and with the person overseeing Gender Support Activities to review the utility of the MONITOR system in conducting monitoring and evaluation of the activities implemented under these technical areas. For DevTech, it is clear that MONITOR is designed to measure quantitative achievements by USAID's regional development programs. Given that nature of the Public Policy Program's work is to design and implement policy, and the Program's contract results-based, evaluation of achievements should be qualitative. As such, DevTech is in the process of evaluating the best way to input information into the system to reflect qualitative results.

The Program attended the DevTech training session held on September 21 where the new MONITOR modules were presented: Geographic Information System (to visualize activity location), Key Issues, Public Private Partnerships, Rapid Impact Projects, and Monitoring Visits. The Program and DevTech

jointly determined that given the nature of the Program's activities, these new modules would not apply to the Public Policy Program.

In Q8 DevTech reviewed and confirmed that Program activities, results, and supporting activities had technical approval and environmental approval from USAID. All activities have a categorical exclusion for environment given that there are no Program interventions that could affect the environment.

The Program also initiated review of result implementation and the inclusion of new results in MONITOR to ensure the system reflects the changes included in the addition of new Program funds.

Support Activity 6.c. Case studies: Over the course of Q8, the Program advanced in the development of two case studies, focusing on income generation and rural development. These topics were selected based the impact they have on policy design across the 3 Program pillars. The research process initiated and to date have had the following results:

Rural Development with a Territorial Approach (PDRET) Model: PDRET aims to achieve regional development in order to reduce rural poverty and eliminate incentives for armed conflict and narco trafficking. This case study is being led by the Program's Chief of Party and aims to demonstrate the Program's strategic approach to constructing this model:

- Addressing rural property land use (titling, formalization and restitution);
- Increasing the delivery of public services and programs in rural areas based on lessons learned from the consolidation policy and the implementation of public investment mechanisms for nation-region coordination (Contrato-Plan);
- Creation of club goods to improve the productivity (specialized technical assistance, rural extension services, access to market information, and value chains);
- Inclusion of ethnic minorities in the rural development process.

Income Generation Model: Income generation directly impacts rural development and the ability for victims to cease their state of vulnerability. A Program-supported study on GOC services in the area of income generation served to provide inputs to the GOC to design income generation programs and for this case study to establish the actions that the GOC will need to undertake to create its income generation policy and the institutional reforms needed to carry-out the policy. Finally, the Program's work to design the Income Generation CONPES has served to establish budgetary requirements to overcome poverty in rural areas and for victims.

Support Activity 6.d. Website designed and functioning: Given the *Instituto de Ciencias Politicas'* (ICP) capacity to influence public opinion and access the media, decision makers, and academia, the Program, together with USAID, decided to include the Program's website within ICP's web portal as part of the Program's standard grant agreement.

In Q8 the Program worked closely with its grantee, the *Instituto de Ciencias Politicas* (ICP) to finalize strategy and design for the Program website which will be administered by ICP. The website will include information relevant to: promote the Program's three Pillar's activities and results, and invitations to events organized (as appropriate). The webpage will be presented to USAID for approval in Q9.

Support Activity 6.e. Quarterly Reports: The Program produced the Q7 quarterly report and delivered it to USAID at the end of July. The Q7 report was the first report under the Program's new 3 pillar structure.

Support Activity 6.f. E-bulletin: In this quarter, 3 monthly e-bulletins were produced for USAID on: Program support for Victims' services and reparations (July); the Public Employment system (August); and the signing of the first *Contrato-Plan* in the Gran Darien Region (September).

Support Activity 6.g. Weekly/biweekly reports: Five bi-weekly public policy reports were developed in Q8 providing up-to-date, cutting-edge information to USAID and the embassy on the advance of key policy issues in Colombia (land restitution, land formalization, victims', consolidation, access to financial services, rural development, security). This included a Mid-Year Review Report on most important policy achievements and challenges in the first half of 2012. This provided USAID with a decision making tool that could be directly applied to USAID strategic support in Colombia.

As requested by USAID, the Public Policy Program developed an additional series of assessments, briefers, fact sheets, and presentations for embassy-wide information and analysis purposes:

1. Program Achievements PowerPoint Presentation for USAID Deputy Assistant Administrator for Latin America & the Caribbean
2. Detailed List of Program Achievements for USAID Deputy Assistant Administrator for Latin America & the Caribbean
3. <i>Contrato-Plan</i> Briefer
4. <i>Consulta Previa</i> Update
5. Translation of Draft E-Money Bill
6. Translation of Justification for E-Money Bill
7. INCODER implementation analysis for USAID Administrator for Latin America & the Caribbean
8. One Page Update on land and victims' policy implementation for Ambassador
9. Public Policy Program Fact Sheet
10. Land & Rural Development Strategy PowerPoint Presentation
11. Briefer: INCODER Archives
12. Montes de Maria Update PowerPoint Presentation for USAID Washington visit
13. Mampuján Update PowerPoint Presentation for USAID Washington visit
14. Scene Setter: Mampuján for USAID Washington visit
15. Analysis of USAID (all programs) presence in Colombian municipalities
16. Cauca Context and Policy Guidelines
17. Scene Setter: <i>Contrato-Plan</i> Montes de Maria (Sept 7 Event) for USAID Washington visit
18. Scene Setter: <i>Contrato-Plan</i> Gran Darien (Sept 13 Event) for USAID Washington visit
19. Public Policy Briefer
20. Agenda: Meeting with Mission Director
21. Public Policy Program achievements PowerPoint Presentation for Mission Director

In addition, in Q8, the Program also initiated production of a Weekly Report on how peace negotiations in Colombia affect USAID-supported programs and policies in the country.

Support Activity 6.i. Documentation and Release of Program Products: In Q8 the Program uploaded all BiWeekly Reports, E-bulletins, Quaterly Reports, Annual Work Plans and major deliverables to the One Source System. They will be made available to USAID in Q9.

Support Activity 6.k. Public discussion of key public policy issues: Given the *Instituto de Ciencias Politicas* (ICP) capacity to influence public opinion and access the media, decision makers, and academia, the Program works closely with ICP to organize strategic public and private meetings on key Program-supported issues. In Q8, ICP organized a working group meeting on rural extension services and a 100-person forum on Decentralization.

PROGRAM MANAGEMENT AND ADMINISTRATION

In Q8, the Program continued to implement its technical assistance activities, and in the month of August billed US \$449,406.97 for a total of US \$13,995,759.85 billed to USAID over the life of the project. It is expected that Invoice No. 22 will amount to an additional US \$820,000.

RECRUITMENT/CONTRACTING

In Q8 AECOM directly contracted 15 consultants (STTA), obligating COP\$670,796,384 (or approximately US\$ 385,294)²⁰ with the following breakdown:

Pillar	No. Consultants	Amount USD	Percentage distribution of contract amount
Land Policy	7	\$ 141,620	37%
Victims' Policy	4	\$ 108,572	28%
Consolidation Policy	4	\$ 135,102	35%
Supporting Activities	0	\$ 0	0%
Total	15	\$385,294	100%

²⁰ Exchange rate used 1,741 Colombian Pesos per dollar.

Total new commitments under AECOM's Grants & Subcontracts budget line reached approximately US\$ 155,054. Forty-five percent of the total amount financed technical activities under the Consolidation Policy Pillar, 33% under the Land Policy Pillar, and the remaining 22% was devoted to Support activities.

Component	No. Contracts	Values USD	Percentage distribution of contract amount
Land Policy	1	\$ 51,697	33%
Victims' Policy	0	\$ 0	0%
Consolidation Policy	1	\$ 69,955	45%
Supporting activities	2	\$ 33,402	22%
Total	4	\$526,212	100%

During the quarter the AECOM Contracts & Grants Department committed four (4) new instruments (2 Task Orders under subcontract and 1 Contract) and processed one modification (early termination reducing awarded funds) as follows:

SUBCONTRACTS & GRANTS / July- September / 2012			
PILLAR	Instrument	New	Modifications
Land Policy	IQC		
	Task Order		
	Contract	1	
	SG		
		1	0
Consolidation Policy	IQC		
	Task Order	1	
	Contract		
	SG		
		1	0
Supporting Activities	IQC		
	Task Order	1	
	Contract		1
	SG		
		1	1
TOTAL		3	1

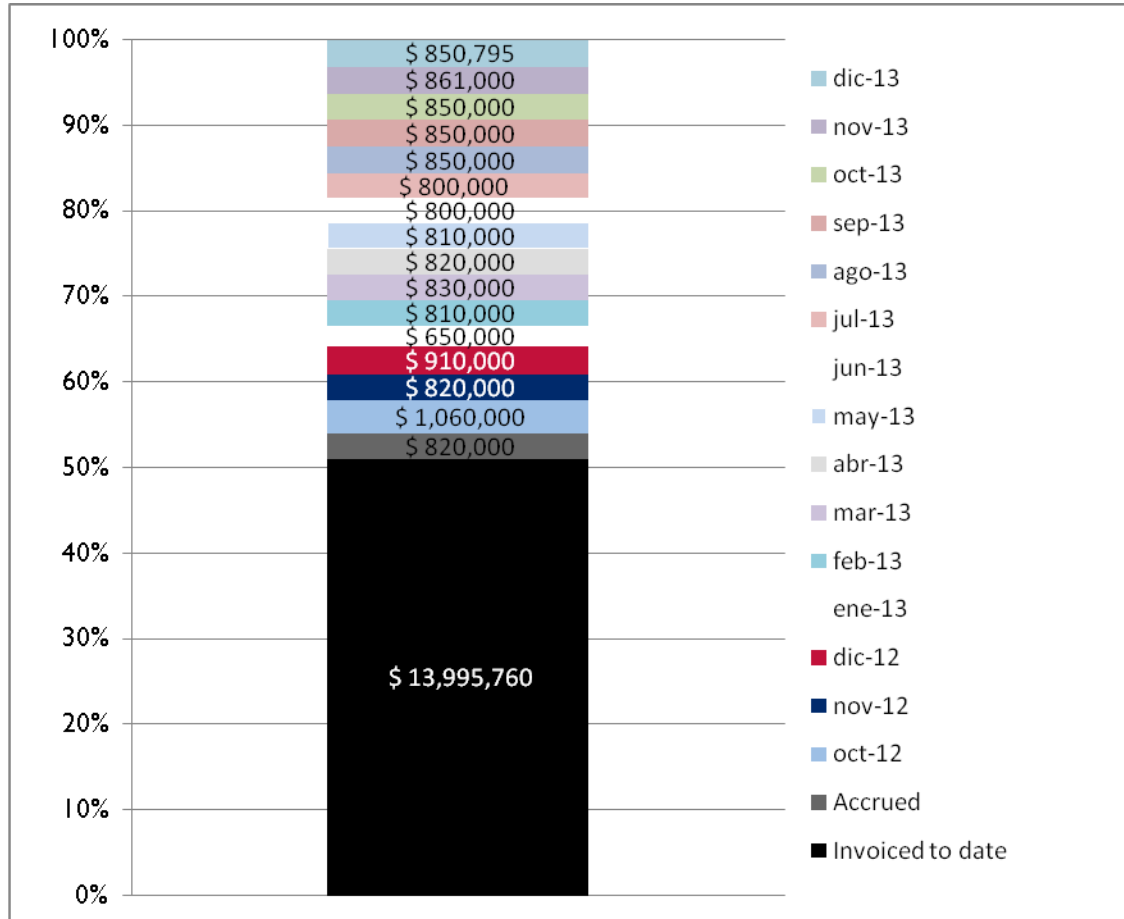
OPERATIONS

Events: The Program continued to reach out to the government and civil society counterparts in Q8; below is the number of workshops, participants by gender, and level of satisfaction with the quality of the events of this quarter:

Date	Pillar	Event name	Total Assistance	Men	% Men	Women	% Women	Public servants	% Public servants
5 July	Land policy	Strategic Planning workshop for Victims' Unit field offices	75	33	44%	42	56%	70	93%
10-jul	Victims policy	Support Colombian Government in the answer about the "AUTO" Constitutional court	17	7	41%	10	59%	17	100%
18-jul	Land policy	Contrato-Plan Montes de María	25	15	60%	10	40%	17	68%
24-jul	Victims policy	Workshop on Financial Inclusion for victims	43	19	44%	24	56%	14	33%
30-jul	Land policy	Workshop to develop the Route of Montes de Maria Contrato Plan. (Sincelejo, Sucre.)	23	16	70%	7	30%	10	43%
01-ago	Land policy	Introduction Rural Development Program Montes de Maria to USAID	10	6	60%	4	40%	0	0%
12-sep	Consolidation policy	Signature of Contrato plan agreement of Gran Darien (Quibdó, Choco)	69	48	70%	21	30%	53	77%
13-sep	Land policy	Initiative to promote the Financial inclusion	41	24	59%	17	41%	5	12%
25-Sept	Victims policy	Strategic planning for the Institutional management of Victims Unit	11	4	36%	7	64%	5	45%
28 - 29 Sep	Land policy	Support Planning of INCODER's Land Deputy Management Office	20	7	35%	13	65%	17	85%
TOTAL			334	179	54%	155	46%	208	62%

FINANCIALS

As of August 27, the Program invoiced USAID for a total of US \$13,995,760. An additional US \$820,000 in accrued expenses through the end of Q8 (Aug 2012) is estimated, for a total of US \$13,406,919.



Note: Numbers reflect amounts that will be accrued each month, not invoiced

ANNEX I. RESULTS TABLE: ACHIEVEMENTS TO DATE

Results/Performance Standards	Delivery Requirements /Milestones	percentage weight	Year 1	Year 2	Year 3	Year 4	Year 5	% Achieved by Milestone	% achieved by result (oct 2012)
PILLAR ONE: LAND POLICY									
1.1 Land restitution chapter of the Victim's Law implemented	1.1.1 Land Restitution Unit established	70%			●			70%	69%
	1.1.2 Inputs to Compensation decree	10%		●				0%	
	1.1.3 Inputs to Land Restitution for Ethnic Minorities decree	20%	✓					100%	
1.2 Land and Rural Development Law drafted and Implemented	1.2.1 Inputs to Law for Rural Development	20%		●				70%	47%
	1.2.2 Design of Unit for Rural Land Use Planning	5%	✓					100%	
	1.2.3 Design of Sustainable Livelihoods Policy Framework	25%			●			30%	
	1.2.4 Design of Regional Rural Development Areas Programs	25%			●			30%	
	1.2.5 Reform of INCODER Implemented	20%			●			60%	
	1.2.6 Reform of MARD Implemented	5%			●			20%	
1.3 Rural property formalization program designed, including regulatory framework and institutional infrastructure	1.3.1 Design of formalization program	35%		✓				100%	70%
	1.3.2 Regulatory framework for land formalization	25%	✓					100%	
	1.3.3 Design of institutional structure for formalization program	10%	✓					100%	
	1.3.4 Formalization of Land Tenure Rights Policy Document developed	30%			●			0%	
PILLAR TWO: VICTIM'S POLICY:									
2.1 Victims' Law institutions designed	2.1.1 Design of Department of Social Prosperity (DAPS)	20%		●				80%	79%
	2.1.2 Design of Victims' Unit	50%			●			65%	
	2.1.3 Design of Regional Victims' Assistance Centers	20%		✓				100%	
	2.1.4 Design of Center for Historical Memory	10%		✓				100%	
2.2 National plan for Victims' humanitarian assistance and reparations	2.2.1 National Plan for victims' reparations in place	28%		✓				100%	81%
	2.2.2 Improved service delivery for victims	17%			●			70%	
	2.2.3 SNARIV Strengthened to Monitor Agency Action Plans	15%			●			20%	
	2.2.4 Support implementation of Cessation of Vulnerability Index	20%			●			90%	
	2.2.5 Design and implementation of regional reparations plans	20%		✓				100%	
2.3 Victims and civil society stakeholders participate in the implementation of the Victims' Law	2.3.1 Victims and stakeholder participation in policy design	100%		✓				100%	100%
PILLAR THREE: CONSOLIDATION POLICY									
3.1 National Consolidation Policy (NCP) framework revised and under implementation	3.1.1 Revised NCP framework	15%	✓					100%	59%
	3.1.2 Support for development and implementation of Regional Consolidation Action Plans	25%			●			80%	
	3.1.3 Improved service delivery in Consolidation Zones	30%			●			30%	
	3.1.4 Design of interagency and inter-governmental budget and coordination mechanisms	30%		●				50%	
3.2 Institutional structure designed to implement the NCP at the national and regional level	3.2.1 Design and Implementation of Consolidation Unit	70%			●			60%	72%
	3.2.2 Design of Consolidation Fund	30%		✓				100%	